



Daily Report

West Europe

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4 March 1996

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March 1996

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Daily Report

West Europe

FBIS-WEU-96-043

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EU Members Fear Proliferation of Free Trade Agreements

*BR0103133596 Brussels EUROPEAN VOICE
in English 29 Feb-6 Mar 96 p6*

[Report by Elizabeth Wise: "Free Trade Policies Under Attack"]

[FBIS Transcribed Text] It is finally out in the open. EU governments do not want free trade zones with every nation on the globe.

In what diplomats described as a "furious attack" on the European Commission, France's ambassador to the Union, Pierre de Boissieu, lashed out at Trade Commissioner Sir Leon Brittan during a meeting of EU foreign ministers this week. "Where is the Commission leading us, to free trade with the whole world?" they quoted him as saying.

The occasion was a discussion of whether to allow the Commission to begin negotiations with both Mexico and South Africa towards eventual free trade agreements. The ministers said no to both initiatives, with most of them agreeing that a serious review of EU trade policy was needed.

"We have to take a stand ... to do a global evaluation of these agreements," said France's European Affairs Minister Michel Barnier.

France is not alone in seeking to defend the interests of EU manufacturers and farmers from the possible encroachment of foreign suppliers. "The traditional southern attitude is moving north," said a South African official waiting for the go-ahead for trade talks and surprised by growing reticence - if not reluctance - on the part of traditional free trade advocates such as Germany and the Netherlands.

With new trading rules stressing fair play around the globe, EU governments fear that concessions they give to some trading partners will have to be extended to all.

Diplomats from several EU countries have stressed they will not approve any more free trade agreements until they understand their future ramifications. "If we give South Africa access to our markets for fruit and vegetables, will we have to give it to the United States?" railed one EU ambassador recently. "If the Commission can guarantee us that the concessions will only apply to South Africa, fine, but as long as they say they don't know, the answer is no."

French diplomats fear that if the World Trade Organisation (WTO) obliges the EU to give free access to WTO members' fruit and vegetables, it could cost the EU up to 7 million ecu in compensation for Union farmers.

EU agriculture ministers have rallied around the trade-curbing banner, with most supporting Spanish complaints this week that free trade accords have hurt Europe's fruit and vegetable farmers. Asking the Commission to assess that cost before offering any more concessions to trading partners, they also urged the insertion of GATT-approved safeguard clauses into the trade and cooperation agreements with Mediterranean countries and other trading partners.

So far, EU trade accords, including those with fruit-producing North African countries, differ from those proposed for South Africa and Mexico because they are, for the time being, unilateral concessions. The EU feels they are safe, perhaps because they have escaped challenges from the WTO so far. Unlike those partial trade accords, free trade pacts must include all sectors, including the ever-sensitive farm sector.

Officials fear WTO scrutiny of any free trade zones they could set up. One top French official also voiced concern that burgeoning trade initiatives from Brussels could prompt the WTO to reexamine the EU's trading ties with Central and Eastern European countries (CEECs), which exclude some key sectors where CEECs have a competitive advantage. EU governments also fear that if they set up a multitude of regional free trade zones, they will undermine the year-old WTO. "Are we about to commit a fatal error by destroying the multilateral system we've just built?" asked one EU ambassador recently.

EU: India, Pakistan 'Are Not Being Isolated'

*BR0103133196 Brussels EUROPEAN VOICE
in English 29 Feb-6 Mar 96 p9*

[Report by Shada Islam: "EU Moves To Calm South Asian Anger"]

[FBIS Transcribed Text] South Asian nations, sidelined in the run-up to next week's landmark summit between EU and East Asian leaders in Bangkok, have been promised increased attention from the Union in the coming months.

Foreign Affairs Commissioner Manuel Marin is drawing up a new strategy paper aimed at revitalising EU ties with India, and hopes to start negotiations shortly on new trade and cooperation agreements with both Pakistan and Bangladesh.

The courtship of South Asia is set to start immediately, with Italian Foreign Minister Susanna Agnelli leading an EU ministerial troika to Delhi on 3 March, just hours after the Bangkok summit comes to a close.

Agnelli's message will be clear: the promises of 'global partnership' made in Bangkok will apply to all of Asia not just to those present at the summit.

Although attention has focused on East Asia in recent months, EU officials insist they remain equally committed to deepening ties with South Asia.

But India and other South Asian countries have made no secret of their anger at being excluded from the Bangkok meeting. As Indian Foreign Minister Pranab Mukherjee complained recently: "Asia without India is like Hamlet without the prince."

The European Commission says it is not to blame, pointing out that the idea for the meeting came from Singapore's Prime Minister Goh Chok Tong and that invitations were sent out by the summit's Asian hosts - who, this time around, chose not to include the South Asians.

"India and Pakistan are not being isolated," insisted one EU official. "The troika's visit to Delhi is proof that South Asia is not being forgotten."

South Asian diplomats are, however, only partially reassured. While Agnelli's visit is important, South Asians point out that they will not be participating in the follow-up meetings on trade and investments that will be decided in Bangkok.

Since these discussions will focus on issues related to the World Trade Organisation and the agenda for its ministerial meeting in Singapore in December, participation by India and Pakistan would have been quite valuable, they say.

But Commission officials insist that Marin's initiatives will give a boost to the Euro-South Asian dialogue in the coming months.

"We want a new partnership with India," stresses Juan Prats, external affairs director-general at the Commission. Details of the new strategy are still being thrashed out by the Commission's services, but officials say the idea is to update the EU's view of India in the light of recent economic developments in the country.

Some of these areas were covered by the partnership and cooperation agreements signed by the EU and India in 1994. "The earlier EU agreements with India emphasised our role in assisting India's development," says an EU official. "This latest agreement puts the focus on partnership between equals."

In it, both sides stress the importance of the private sector in promoting Indian development, with the EU promising to help Delhi with its economic liberalisation efforts. Union officials say that deregulation of the In-

dian economy has increased the country's competitiveness in the European market. In 1994, both EU imports from India and exports to the country grew by a healthy 20 percent.

While the EU is the largest outlet for Indian exports, India is seeking to enlarge its share of the European market.

In 1994, despite the size and growing dynamism of the Indian economy, its exporters only managed to capture 0.8 percent of the European market. Delhi is seeking to expand exports of textile, leather and engineering goods, but believes that at least some EU trade policies do not work in its favour.

As of next year, for instance, India will lose half of the trade concessions for its textile and clothing exports which it currently enjoys under the EU's Generalised System of Preferences (GSP), as developing countries which have proved to be 'highly competitive' in specific sectors are progressively 'graduated' out of the scheme. From 1998, these concessions will be withdrawn permanently.

At the same time, competition in the European market is getting fiercer. Since 1 January 1996 and the entry into force of the EU-Turkey customs union, Ankara whose cotton and other textile exports are in direct competition with South Asian goods, has had free access to the EU. Restrictions in the textile trade with Russia and Eastern Europe are also coming down.

For its part, the EU is seeking improved access to the Indian textile market, arguing that the country's increasingly prosperous middle class can afford to spend money on up-market European fashion textiles and claiming Indian textile tariffs and other non-tariff barriers are still high.

Trade Commissioner Sir Leon Brittan, who visited India earlier this year, is also seeking an Indian commitment on liberalising the telecoms sector and would like India, Pakistan and other South Asian states to agree to a WTO study on the controversial question of linking trade and labour standards.

The Commission's planned paper on relations with India is expected to look beyond these specific problems. "We will still be looking at the future, the challenges and opportunities facing India and where our relationship should be going," says an EU official. There is some talk of offering India the prospect of a free trade pact with the EU. But given recent criticism by France and others of the proliferation of free trade area proposals made by the Commission, it is not clear if the idea will come to fruition.

The mandates being drawn up by the Commission for opening negotiations on new cooperation agreements with Pakistan and Bangladesh are more modest. "The plan is to update the agreements signed with these countries in the 1970s," an EU official says.

The focus will be on boosting the role of the private sector, encouraging more joint ventures, helping both countries to fight environmental degradation and promoting coordination in science and technology.

EU: Division Over Public Services Liberalization Reported

*BR0103111096 Brussels EUROPEAN VOICE
in English 29 Feb-6 Mar 96 p1*

[Report by Tim Jones and Fiona McHug h: "IGC Battle Looms Over Free Markets"]

[FBIS Transcribed Text] Fears are growing that a French campaign to ensure the European Union's revised treaty includes cast-iron commitments to public service obligations marks the beginning of a backlash against years of market liberalization.

With four weeks to go until the start of the Intergovernmental Conference [IGC] in Turin, French politicians want to give treaty protection to essential service suppliers such as Electricité de France, La Poste and the SNCF railway operator - against rampant market forces.

Industry Minister Franck Borotra has gone as far as suggesting that "in certain sectors, the opening of the market to competition has been a grave mistake".

While consumer groups may give the idea a tentative welcome, rival companies and more market-enthusiastic member states are suspicious, and warn that the French are already using the idea of public service to delay an agreement on prising open the EU electricity market.

"Our view is that public services can be accommodated in a liberalised market," said a representative of the UK's electricity companies. "You don't need to have a monopoly market to provide a universal service."

The issue is also dividing the Commission. Research Commissioner Edith Cresson yesterday (28 February) managed to win her colleagues' support for a proposal to include a commitment to 'universal access to services with a general interest' in the Commission's submission to the IGC, despite opposition from Competition Commissioner Karel Van Miert He argued instead for a non-binding public services charter.

In the past, the Commission defended its position by pointing out that its efforts to open up utilities markets always specified the need to maintain a universal service

available to all citizens. But this is obviously no longer considered to be sufficiently watertight.

The French government proposal is expected to request that extra flesh be put on Article 90(2) of the Treaty of Rome, which specifies that enterprises with public service obligations should not be obstructed in their statutory tasks by the EU's competition rules.

Behind the French plan lies a growing unease that the Commission has begun to abandon its neutrality, enshrined in Article 222, over whether companies should be in the public or the private sector.

"The Commission often gives the impression it is on a privatisation crusade," complained a French official. Instead of constantly pointing to the beneficial effects of liberalization, say the sceptics, the Commission should also consider the downside, such as telephone operators raising the price of domestic calls while cutting international tariffs.

At last December's Madrid summit President Jacques Chirac managed to win a commitment to public services. The new proposal will build on this by calling on enterprises which perform "tasks of general economic interest" to provide a universal service to all their customers.

This means customers pay the same price wherever they are, so maintaining the system of uniform tariffs that effectively transfers 300 million ecu a year for electricity, and more than a billion ecu each for post and rail, from French cities to the countryside.

But the backlash is itself in danger of producing a counter-backlash. Last week, Irish Liberal MEP [Member of European Parliament] Pat Cox resigned as parliamentary rapporteur on EMU and the IGC partly in response to the push towards a public service charter, calling it "creeping protectionism".

An official at British Telecom was even tougher. "Our main concern is that this public service clause could be used as a pretext by those in favour of maintaining monopolies to block the general move towards liberalization."

SU: EC Aims To 'Breathe Life' Into Eco-Taxes Debate

*BR0103133696 Brussels EUROPEAN VOICE
in English 29 Feb-6 Mar 96 p6*

[Report by Michael Mann: "Environment Talks To Focus on Tax Regime"]

[FBIS Transcribed Text] The European Commission [EC] is renewing its efforts to breathe life into the debate on the role of taxes in protecting the environment.

But a two-day conference in Rome this June will steer clear of calls for radical reforms of EU tax systems, and concentrate instead on how "to modify existing tax regimes at the margins" to reduce environmental damage, according to Commission officials.

The meeting, under the title of "Economic incentives and disincentives for environmental protection," will draw together not only EU environment ministers, but also representatives from transport and economics ministries, academics and environmental campaigners.

Environment Commissioner Ritt Bjerregaard's officials stress that far too many direct and indirect tax measures exist in different industrial sectors which have a negative environmental effect. "What we are looking at is inserting environmental considerations into existing taxes, not trying to force through eco-taxes," said an official.

Rules in several countries allowing businesses to deduct car expenses from income tax are a classic example of counterproductive measures, say Commission officials, pointing out that, as often as not, these cancel out environmental benefits from tax incentives for the use of 'greener' fuel.

The lion's share of the meeting will be taken up with discussions relating to the environmental impact of taxes on transport. It will look, for example, at the potential for two-tier tax systems for "clean" and conventional fuels. Such a policy has already been put into practice through price differentials for leaded and non-leaded petrol, and higher road taxes in some countries for cars not fitted with catalytic converters.

The meeting comes at a crucial stage, following on from Transport Commissioner Neil Kinnock's recent Green Paper on "Fair and efficient pricing in transport," Bjerregaard's own paper on carbon dioxide (CO₂) emissions from cars, and with the findings of the 'Auto-Oil Programme' due in the next two months and initiatives on mineral oil excise duties also possible within the next year.

It also comes in the wake of a new study from the Centre for Energy Conservation and Environmental

Technology which shows that car fuel prices are 20 percent lower in real terms than in the early Eighties, while the price of public transport tickets has trebled in some cases.

The pressure group Transport and Environment has renewed its call for an increase in the tax on motor fuels to help the EU attain its CO₂ stabilisation targets.

"Every year of inaction leads us further away from reaching the emission reduction targets and internalised costs. Meanwhile, car use, nuisance and pollution soar and public transport users get to bear the financial burden," said T&E director Gijs Kuneman.

But officials remain wary of any talk of relaunching the debate about EU-wide eco-taxes at this stage, "although they are part of the debate". One official stressed: "We're not looking at revolutionary ideas at the moment, but at how we can turn tax regulations at the margins. We have to remember that the basic function of tax remains to raise revenue for the state."

The meeting scheduled for 8 June will be preceded by an experts' session, which the Commission hopes will bring together experts from "all interest groups, business and NGOs [Nongovernmental Organizations], from all parts of the political spectrum and all regions of the Union".

The move reflects a growing recognition within the Commission that there is a need for cooperation between different departments, "ideally leading to some sort of common position".

Last month, the Green Group in the European Parliament hosted a conference aimed at injecting new life into the Commission's proposals for EU-wide CO₂ taxes, which were all but killed off by strong resistance from the UK, Ireland, Portugal and Greece.

Green groups are awaiting the Commission's communication on member states' use of green levies, due out this spring. Their campaign received a boost at a recent informal meeting of EU environment ministers in the Hague, where eight countries jointly urged the Commission to resurrect the policy initiative.

Austria Rejects U.S. Criticism on Anonymous Accounts

AU10303154096 Vienna *NEUE KRONEN-ZEITUNG* in German 3 Mar 96 p 4

[Report by Kurt Seinitz: "Austria Rejects Criticism of Money Laundering"]

[FBIS Translated Text] Washington/Bangkok/Vienna — Chancellor Vranitzky and Foreign Minister Schuessel harshly reject the U.S. Administration's renewed criticism of the anonymity of Austrian savings accounts. The U.S. State Department had said that there are indications that the Russian mafia issuing these accounts Austria to "launder" money.

NEUE KRONEN-ZEITUNG correspondent Kurt Seinitz reports from Bangkok how head of government Vranitzky and Vice Chancellor Schuessel reacted to these accusations on the sidelines of the European-Asian summit. Vranitzky and Schuessel categorically reject the U.S. criticism and argue in almost identical words:

— The anonymity of our savings accounts has nothing to do with "money laundering."

— There are problems with the Russian mafia all over the world. This problem is tackled in Austria just as in other countries. In particular in this respect we have not been unsuccessful most recently.

Chancellor Franz Vranitzky commented on the anonymous savings accounts: "We presume to be better informed about the Austrian's savings habits than our critics!"

And Wolfgang Schuessel said: "Austria's savings accounts are absolutely unsuitable for money laundering by mafia organizations. The average deposit in an Austrian savings account is 60,000 schillings."

"We Do Not Need Instructions From Others"

The Foreign Minister added clearly: "Therefore, we do not need instructions from others. We will completely fulfill our international obligations, and we are among those countries that act most harshly against these problems."

Austria's Klima Supports Anonymous Savings Accounts

AU10203170896 Vienna *Oesterreich Eins Radio Network* in German 1100 GMT 2 Mar 96

[Report by Franz Simbuerger]

[FBIS Translated Text] The American accusations against Austria are not new, but this time they have

been formulated more harshly than in the past. Austria is placed among the second-worst countries regarding struggling against the drug mafia. The U.S. Drug Report gives two reasons: First, the fact that the UN Drug Convention, which was adopted in Vienna in 1988, has not yet been implemented in Austrian law; second, there are again accusations regarding the anonymity of security and savings accounts. Even though a few things have been improved in this respect, it is, in particular, the Russian drug mafia that still uses Austria to launder drug money, the United States says.

Finance Minister Viktor Klima reacts calmly to such accusations. As regards the anonymity of security accounts, measures have already been initiated to abolish anonymity, Klima says. As regards the anonymity of savings accounts, Klima intends to stay tough even in view of the new accusations.

Two weeks ago there had been similar criticism from the EU. At that time, Klima said that, in Austria's view, sufficient precautions were taken to make sure that anonymous savings accounts cannot be used to launder money. This position will, if necessary, be clarified by the responsible courts, the finance minister stated then.

Klima reacted similarly today. In talks with the United States, too, it will be properly justified that there is no need to abolish the anonymity of Austrian savings accounts, the finance minister said.

Austria: Schuessel Wants Country To Help With CSFP

AU2102161496 Vienna *KURIER* in German 21 Feb 96 p 3

[Report by Margaretha Kopeinig: "Solidarity, No Longer Neutrality"]

[FBIS Translated Text] Wolfgang Schuessel takes Francois Mitterrand's message seriously: "Nationalisme c'est la guerre" (Nationalism, this is war). the former French president warned the European politicians in one of his last major speeches.

In order to avoid new misery in Europe after the debacle in Yugoslavia, Schuessel, who is chairman of the OeVP [Austrian People's Party], vice chancellor, and foreign minister, is pressing in the coalition negotiations for Austria to participate actively in the common foreign and security policy [CFSP]. "I think that it is completely wrong if small countries wait — and others make the decisions. One has to present the alternatives," he said and presented his proposal: "In order to make it easier for Austria to become a member in the Western European Union (WEU), Article 5 (on the automatic military assistance duty — the editors) has to be

modified." If this assistance guarantee were eliminated, it would permit Austria and other neutral states "to participate actively and in solidarity in the common foreign and security policy, which will lead to EU defense one day."

In its present form the EU is still "a paper tiger that needs life breathing into it," Schuessel said in an interview with KURIER and proposed a "close interlinkage of the WEU and the EU." "This is the challenge we are facing." If Austria were to wait and did not play a part in developing the future European security architecture, the alternative in 1998, when the WEU treaty expires, will be: "Sink or swim! The only thing that Austria could say then is that we swallow all at the same time, that is, NATO and WEU membership with all its consequences." In its own interest, Austria should participate in the development of the security concept.

"Accordingly, we would show solidarity and no longer be neutral. In all other fields, classic neutrality would continue to be important as long as there is no UN mandate for an international mission."

In order to meet the requirements of the Maastricht treaty, Schuessel insists on the DeVP's proposal of the solidarity law (the SPÖ — Social Democratic Party of Austria — has rejected this variant; instead it wants to develop a "national security doctrine.")

Schuessel believes that with a solidarity law "we would create the legal basis to completely meet the liabilities of the treaty of accession."

The foreign minister is optimistic that he will soon be able to tick off the topic of Europe in the negotiations with Chancellor Vranitzky. For him it is clear that European and foreign affairs are "vital questions" for Austria and must be dealt with jointly. "It would be silly if a small country constantly spoke with different tongues. I am absolutely against double conferences in foreign politics."

Austria: Poll Shows Austrians for Security Pact With EU

AUD03175/96 Vienna NEUE KRONEN-ZEITUNG in German 2 Mar 96 pp 4-5

[Report by Claus Pandi: "Austrians for Security Pact With the EU"]

[FBIS Translated Text] Vienna/Brussels — After the discussions about our security and defense over the past weeks, a clear majority of Austrians now favor participation in an EU security pact. This conclusion can be drawn from one of the latest polls.

A total of 68 percent of Austrians polled are in favor of our becoming part of a European security system. This is one of the central statements from the latest poll conducted by the "Market Institute" in Linz. This poll investigated the Austrians' attitude toward peacemaking measures, the Western European Union (WEU), NATO, and neutrality.

According to this poll, it is particularly important for the Austrians to be a reliable partner for the EU. Thus, 81 percent of the Austrians supported the following decisive security considerations:

- Austria must be a predictable alliance partner for the EU and
- should also make this known to its EU partners,
- because in case of a crisis or threat, Austria can expect help from the EU.

Assignment to the New Government

Asked whether Austria should stick to neutrality as in the past or give it up for the benefit of European solidarity, 64 percent call for maintaining neutrality. In August last year it was still 71 percent who were so firmly in favor of neutrality. For the experts in the Vienna Defense Ministry, "this characterizes a clear trend and a shift of 7 percentage points within half a year in favor of a new evaluation of neutrality."

Minister Werner Fasslabend assesses this change as readiness on the part of the Austrians to deal with the new situation: "I also see this as an assignment to the Federal Government to continue the discussion. For me it is clear that the development is moving into the direction of the most intensive possible participation in the European security structures. Austria's future clearly is European solidarity and active protection of our security policy interests."

However, Austria's integration in a functioning European security system will certainly not be possible. Fasslabend stresses, "if we hesitate and hope that others will do the things that would actually be our responsibility."

Austria: Government To Recognize FRY at Next EU Meeting

AUD0312/2696 Salzburg SALZBURGER NACHRICHTEN in German 2 Mar 96 p 2

[Unattributed report: "FRY To Be Recognized as a Sovereign State"]

[FBIS Translated Text] Vienna — Austria will recognize the FRY as a sovereign state. The coalition parties are in agreement on this, Peter Schröder, foreign policy

spokesman of the Social Democratic Party of Austria (SPOe), affirmed on Friday (1 March). This will certainly happen at the next foreign ministers' meeting of the EU, Schieder announced. France has already taken the lead among the EU countries and has recognized the successor state of the former Yugoslavia.

Liberal Forum Chairwoman Heide Schmidt has harshly criticized the policy of recognizing Belgrade: "On the one hand, the SPOe wants to exert moral pressure on countries that violate human rights. On the other, it refuses to exert precisely this pressure in connection with recognizing the FRY and supports speedy recognition."

Schieder counters by saying that such strict standards would make diplomatic relations virtually impossible

with innumerable countries. Recognition, on the other hand, creates the basis for exerting pressure by diplomatic means and for bringing about changes in the countries in question.

Bosnian war refugees may stay in Austria. Their residence permit will be generally extended until 31 August. This is the result of a meeting between representatives of the Interior Ministry, the provinces, and the Caritas organization, which took place in Vienna recently. Until this date the number of refugees is to be steadily reduced through voluntary repatriation, or also through integration in Austria.

UNITED KINGDOM

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UK: MP's Condemns U.S. Visa Renewal for Gerry Adams

*LD0103204196 London PRESS ASSOCIATION
in English 2004 GMT 1 Mar 96*

[By Sarah Womack, political correspondent]

[FBIS Transcribed Text] MPs reacted furiously tonight to President Bill Clinton's decision to renew Gerry Adams' American visa despite the refusal of the IRA to offer an early resumption of its ceasefire.

The move — disclosed by Washington officials in advance of an official announcement by the White House — came just hours after John Major denounced as a "sick joke" the IRA's latest statement on the Ulster peace process which made no mention of a cessation of violence.

Downing Street was making no official comment tonight, except to repeat its line that the matter of a visa was one for the American government.

But British officials have made clear privately, in recent weeks, their fear that the renewal of the Sinn Fein President's visa, without a new ceasefire being announced, could appear to condone violence.

Tory right-wingers at Westminster believed a refusal by Mr Clinton to grant the visa request would send a powerful signal that the U.S. backed the tough line taken by London since the terrorist campaign resumed.

Mr Clinton provoked a storm of protest from the British Government when he granted Mr Adams a visa in early 1994 — before the IRA announced a ceasefire.

David Wilshire, vice-chairman of the Tory backbench Northern Ireland committee, told PA News tonight: "President Clinton's decision is an absolute disgrace."

"I just wonder how America would feel if we rolled out the red carpet for the Oklahoma bombers. I can't make up my mind whether President Clinton is naive or stupid."

"The conditions attached to Mr Adams' visa make no difference. In some ways they make matters worse because - by flagging up what Mr Adams isn't able to do, you highlight what he is being allowed to do."

Former Northern Ireland Minister Peter Bottomley said Mr Clinton's decision was "predictable", but added: "What the U.S. media and authorities have to say to Gerry Adams is 'What about the fundamental right to life, and the people who have died since the ceasefire ended?'"

Washington officials said while Mr Adams would be allowed to enter the U.S. for St Patrick's Day festivities

on March 17, he would be restricted to a single trip and would not be allowed to raise funds for Sinn Fein during the visit.

Officials made it clear that the U.S. had pinned conditions on Mr Adams' visa out of anger at the renewed IRA bombing campaign in London.

They added that Mr Adams would not meet either President Clinton or Vice President Al Gore.

UK: Adams Says Major's 'Sick Joke' Criticism 'Unhelpful'

*LD0103180096 London PRESS ASSOCIATION
in English 1717 GMT 1 Mar 96*

[By Sarah Womack, and Amanda Brown in Bangkok]

[FBIS Transcribed Text] The quest for Ulster peace suffered a fresh setback today as Sinn Fein's Gerry Adams branded John Major's "sick joke" criticism of the IRA's refusal to offer an early resumption of the ceasefire "unhelpful".

Mr Adams said MPs should be "measured" in what they said, adding that this was not the time for "knee-jerk" reactions.

He spoke out as Irish prime minister John Bruton — in what British officials described as an "extremely supportive" gesture — piled the pressure on Sinn Fein to get the IRA leadership to call off its campaign of violence.

Mr Bruton, in Bangkok with John Major for an EU-Asia economic summit, said he and Mr Major had met a core Sinn Fein demand by setting a June 10 date for all-party Northern Ireland peace talks.

Employing more moderate tones than Mr Major had on Thursday, Mr Bruton added: "It's now for them (Sinn Fein) to fulfil their part of the exercise, get the IRA to stop the killing and then everybody will be able to prepare to sit round the table."

"We don't want another life or another moment to be lost."

The republicans should examine Wednesday's Anglo-Irish communique "and come to the only conclusion that it is possible to come to - that a definite date has now been set for all-party talks and Sinn Fein, in order to be consistent, must now go to the IRA and say 'stop your campaign once and for all, call it off'."

Later, Mr Bruton told BBC Radio 4's *The World at One*: "We are not willing to reopen matters contained in the communique."

The British Government meanwhile stood by Mr Major's angry outburst — in which he attacked the IRA Army Council statement, which offered no early resumption of the ceasefire, as "pathetic".

Officials travelling with the Prime Minister stressed that he was "not going to rescind" from what he said on Thursday night.

Mr Major's comments were made at the end of a lengthy day of meetings in Thailand, prompting speculation that his outspoken language was the result of tiredness.

Irish commentators suggested that the tone of Mr Major was a reaction to British press accusations that he had sold out to Sinn Fein by agreeing a firm date for all-party talks after months of staunch refusal.

In its statement, the IRA made no mention of a ceasefire but said the resolution of the conflict "demanded justice and an inclusive negotiated settlement without pre-conditions".

It added: "We repeat that we are prepared to face up to our responsibilities. Others need to do likewise."

Mr Adams, in a statement issued to news organisations today, criticised Mr Major, saying: "This is a time for politicians and party leaders to be measured in what we say. Our focus must remain on the single objective of rebuilding the peace process."

Sinn Fein's vice-president Pat Doherty said that, by demanding a new ceasefire, the two governments were setting a new pre-condition for all-party talks.

"Why put a pre-condition on an issue over which we do not have control?" he told BBC Radio 4's Today programme.

"Sinn Fein was in dialogue with the British Government for three years when the armed struggle was going on, from 1990-93.

"So all of this is a nonsense, another pre-condition to stop republicans from moving into talks. Let's forget about pre-conditions and let's get into negotiations."

But Joe Hendron, the nationalist SDLP's [Social Democratic and Labour Party] MP for West Belfast, said he was "deeply disappointed" by the IRA's statement, which had followed a joint appeal from SDLP leader John Hume and Mr Adams for a fresh ceasefire at a secret meeting on Thursday with the paramilitaries.

"The IRA are ignoring the wishes of the very vast majority of the people of Northern Ireland and indeed of the island of Ireland," he told the Today programme.

"People on the ground who support Sinn Fein ... are deeply disappointed that the ceasefire was broken."

They're deeply disappointed at the bomb at Canary Wharf and they very much want the IRA to stop forthwith."

Ken Maginnis, the Ulster Unionists' security spokesman, told PA News: "The Prime Minister hit the nail on the head so far as most people in Northern Ireland are concerned.

"There is absolutely no sympathy among the vast number of people in Northern Ireland with an organisation which has harped on the one issue of all-party talks and a fixed date, and then is unable to respond positively to the date when one is given and endorsed by virtually every other party."

Democratic Unionist leader the Rev Ian Paisley said he completely supported Mr Major's statement. "It was a proper reaction," he said.

Ulster Unionist leader David Trimble and John Alderdice, leader of the non-sectarian Alliance party, had a one-and-a-half hour meeting in Belfast today. The parties agreed to meet again next week.

Deputy Irish prime minister Dick Spring said tonight the IRA ceasefire did not look like being resumed "within the next few days."

But other Dublin government sources indicated the statement from the IRA was not regarded as the terror group's definitive verdict on the latest Anglo-Irish deal to kick-start the Ulster peace process.

Mr Spring urged Ireland's hard-line republican movement to "focus" on the terms of this week's communique from the Downing Street summit between Mr Major and Mr Bruton.

He also confirmed that representatives from the IRA's Sinn Fein allies would be able to attend preliminary consultations with other groups in Belfast on Monday - but would not be permitted to see ministers from either the British or Irish governments.

The Irish foreign minister spoke as Sinn Fein's Ard Comhairle (executive) met in Dublin to study the joint statement issued by Mr Major and Mr Bruton after their meeting on Wednesday.

They were expected to authorise the attendance of a delegation at the Belfast "proximity" discussions.

In Bangkok, Mr Bruton pointed out that the IRA statement appeared to have been drafted before Wednesday's Downing Street communique had been properly considered.

And sources in Dublin reported: "We don't see this as the last word from the IRA. They have still firmly to

say whether or not the ceasefire can again become a reality."

Mr Spring said in Dublin: "The sooner the republican movement start focusing on the communique, and the fact that we have a fixed date for all-party talks, the better.

"But as of now, it looks as though there will not be a ceasefire, certainly over the next few days."

Mr Spring said he would be meeting Northern Ireland Secretary Sir Patrick Mayhew at the start of the consultative discussions in Belfast on Monday. "My intention is to be available with the Secretary of State for the parties who are available to meet us.

"We would certainly have no difficulty with Sinn Fein talking to Irish officials."

A statement after the Dublin Sinn Fein executive meeting said Mr Adams had presented a full report of the discussions he and Mr Hume had with IRA leaders on Wednesday.

Chairperson Mitchel McLaughlin commented: "While there is satisfaction that there appears to be a fixed date for talks to begin, the refusal by the two governments to afford Sinn Fein electoral equality of treatment must be reconsidered by the Taoiseach (Mr Bruton) and the British Prime Minister.

"A successful peace process needs to be inclusive. Who is going to represent republicans if Sinn Fein voters are disenfranchised?"

UK: Trimble on Sinn Fein Role in All-Party Talks
MSD103140696 Belfast THE IRISH NEWS in English 1 Mar 96 p

[‘Exclusive’ interview with Ulster Unionist leader David Trimble by William Graham on 29 March; received via Internet]

(FBIS Transcribed Text) Ulster Unionist leader David Trimble has indicated if there were an IRA ceasefire which means “a change of heart”, he would not want to create unnecessary obstacles about Sinn Fein’s involvement in all-party talks.

In an exclusive interview with the Irish News last night, Mr Trimble signalled that “if people were coming towards you and showing evidence of good faith then that certainly eases the process”.

But at the same time Mr Trimble expressed grave scepticism as to whether “Sinn Fein and the IRA would make a commitment to peaceful means given the twisting and turning of the last 18 months” and “the recent bombings in London”.

Asked about his assessment of the political situation after the Downing Street communique and the disclosure that John Hume and Gerry Adams had discussions with the IRA, he said: “This is very interesting because the issue is now being put very clearly to Sinn Fein and the IRA.

“I think Seamus Mallon in the Commons said they were being given a last chance to turn their back on terrorism. And many people after the bombs in London think they don’t deserve that last chance.

“But nonetheless they are being given a chance. And there is to be no doubt about what is involved in it.

“The first item on the agenda for negotiations effectively is the Mitchell report and all that it contains. It involves more than just saying ‘yes we agree with the principles’. Mitchell makes it clear that these things have to be honoured in practice and that means an end for example to all paramilitary beatings and a gradual running down of the organisation in terms of the recruiting, targeting and all that sort of stuff.

“It also means making arrangements for parallel decommissioning and then actually doing it.

“The governments’ statement makes it absolutely clear that if these commitments and consequent actions are not there, then the parties don’t get in, or are excluded from the process which goes on without them.”

Mr Trimble said that at present he could not see Sinn Fein and the IRA making the commitment to peaceful means and the democratic process.

Asked to specify in simple language the conditions needed before he could sit down and negotiate with Sinn Fein, he said: “I would sum it all up in terms of commitment to the Mitchell report.”

Significantly, Mr Trimble said that “as usual in these things — we are not expecting everything to be done all at once”.

“Mitchell does talk about parallel decommissioning, not prior decommissioning. If we had reasonable commitments we would be able to move in that direction.

“So, I will say Mitchell is the thing and as we get closer to the event (all-party talks) we will get down to the detail. I don’t want to be too prescriptive on the detail in advance because I don’t want to create unnecessary obstacles.”

Mr Trimble agreed that he did not wish to create preconditions.

But he cautioned: “There is a huge gulf between the particular actions you would require when you

are deeply suspicious of someone's intentions and the actions that you would require and where you would see the other parties acting in good faith.

"That has always been the problem - there has been very little evidence of good faith and one has had to approach this on the basis of being deeply suspicious of the intentions of the other party.

"If people were coming towards you anxious to show evidence of good faith then that sort of eases the process.

"The problem is, looking at the past, there has been an absence of good faith and crucially there have been the bombs in London which are a statement of bad faith."

When asked if it would represent a new situation if there were a new IRA ceasefire and a commitment given to the Mitchell conditions, he said: "If there is a ceasefire and it looks as if there is a change of heart — that is a different situation."

He disagreed with the perception by some nationalists that he was a hard man and tough negotiator compared with his predecessor Jim Molyneaux.

He said it was not correct to personalise things and disagreed with the assertion by some nationalists that unionists don't really want peace.

"I have heard people make that suggestion but there is no basis for it. Our desire for peace is as great as anybody else. We also say, as the government do and others, that it is not peace at any price," Mr Trimble said.

UK: Trimble Says Unionists Not To Attend Stormont Talks

LD0403111796 Dublin RTE Radio One Network in English 1800 GMT 1 Mar 96

[FBIS Transcribed Text] The Tanaiste [Irish Deputy Prime Minister Dick Spring] has said it looks as if the IRA cease-fire will not be reinstated over the next few days. Mr. Spring said the sooner the Provisionals focused on this week's joint Anglo-Irish communique, the better. He said Sinn Fein officials would be accepted into next Monday's [4 March] proximity talks in Belfast, but there would be no ministerial contact.

[Begin Spring recording] Firstly, I do not regard that the fact that they're not meeting us at ministerial level as a precondition. There's a very simple way of removing that bar at the present time and that was created effectively by the actions of the IRA. If the IRA reinstate the cease-fire, announce the reinstatement of it, then we'll be willing and quite ready to meet with Sinn Fein at ministerial level. [end recording]

The former Taoiseach, Albert Reynolds, has said he doesn't believe yesterday's IRA statement, which failed to call a cease-fire, was the definitive response to Wednesday's Downing Street communique. Mr. Reynolds said it must be established if the proposed elective process would lead directly to all-party talks.

The Ulster Unionist leader, David Trimble, has insisted that his party will not be represented at Stormont on Monday, where the further inter-party contacts are due to begin.

[Begin Trimble recording] He's got offices, we've got offices; he's got a timetable, I've got a timetable. We shall meet as, and when, necessary. But, this business about the [Stormont] Castle grounds is over-hyped and it is this misconception that was expressed a moment ago that we're involved in something called proximity talks — now, that again is a misconception, and if people look carefully at the government communique, they'll see that it is actually merely an intensified continuation of what has been happening already. [end recording]

UK: Trimble Denies 'Boycotting' Stormont Talks

LD0403111796 Dublin RTE Radio One Network in English 1000 GMT 4 Mar 96

[FBIS Transcribed Text] The Tanaiste [Deputy Prime Minister Dick Spring] and the northern secretary meet at Stormont this morning to discuss the arrangements for the intensive consultations in the next phase of the peace process. The Stormont political development minister, Mr. Michael Ancram, denied the consultative talks weren't going to run as planned. Mr. Ancram said ministers would meet parties today, some tomorrow, and arrangements were being made to see the two main unionist parties hopefully on Wednesday [6 March].

The Ulster Unionist Party leader Mr. Trimble has rejected suggestions that he is boycotting the Stormont talks. Mr. Trimble said he had written to the Irish Government inviting them to meet him. He said he was also willing to talk to Sir Patrick Mayhew at Stormont or Westminster, but the Democratic Unionist Party say they'll have nothing to do with the process involving the Irish Government. And the Independent Unionist MP Mr. Robert McCartney has confirmed he won't be going to castle buildings in Stormont. He said he wasn't prepared to meet the Tanaiste established in an office in Northern Ireland to discuss the internal affairs of the North.

UK: Bruton Urges Peace; CLMC To Maintain Cease-Fire

LD0303173696 London PRESS ASSOCIATION in English 1651 GMT 3 Mar 96

(By Deric Henderson, Sian Clare, and Chris Parkin)

[FBIS Transcribed Text] The IRA was under new pressure tonight to reinstate its ceasefire.

As all sides in Northern Ireland prepared to begin talks on the way ahead, the Republic's Premier John Bruton urged the Provisionals to make an announcement as soon as possible.

"I think the Irish people are entitled to peace and peaceful conditions to sort out their differences," he said.

At the same time, loyalists warned of a new crisis if the republican leadership delayed for much longer an end to their renewed campaign.

Billy Hutchinson of the Progressive Unionist Party said: "I think they should have this ceasefire reinstated very, very quickly, because we could be pushing the country back to the brink and into the abyss of where we were for 25 years. Nobody wants to see that."

Northern Ireland Secretary Sir Patrick Mayhew and the Irish Foreign Affairs Minister Dick Spring are to have talks in Belfast tomorrow to mark the start of a consultative process involving all the political parties to try to agree a form of elections before round table negotiations begin on June 10.

Sinn Fein has not been invited because of the IRA ceasefire collapse, and the two main Unionist parties have made it clear they will not be going to Castle Buildings for any dialogue. Ministerial meetings at Westminster are likely, however.

Republican sources confirmed today that it could be some time before the Provisionals make any announcement, and although loyalist representatives moved swiftly to dampen speculation of a threatened return to violence by Protestant paramilitary dissidents, it is against this background that Prime Minister John Major and Mr. Bruton must attempt to get the peace process up and running again.

A new ceasefire is critical, however, if any sort of real progress is to be made, and the Irish Premier insisted the conditions were right for another one to be called immediately.

Mr. Bruton, due back in Dublin tomorrow after two meetings with Mr Major on the fringe of the Euro-Asian summit in Bangkok, said: "The solution is to be found in talks. The only requirement for any party to take part

is that they are not involved in violence or the support of violence."

Without the IRA ceasefire, Sinn Fein are barred from the so-called proximity talks starting tomorrow and the parties have until March 13 to agree the method of elections expected to take place in May before moving into substantive negotiations.

Even though there is apparently some slight unease with the Government's handling of the peace process since the London bombings, loyalists insisted today that the Protestant paramilitary ceasefire called by the Combined Loyalist Military Command [CLMC] was still intact and under no immediate threat of breaking down.

Police banned republicans staging a demonstration in the centre of Lurgan, Co. Armagh today because of fears of clashes with counter demonstrators.

The rally passed off without incident, but it is this part of Mid-Ulster where tensions among some loyalist paramilitaries are believed to be heightening because of the IRA's failure to call off its renewed campaign.

Loyalist representatives said they were unaware of claims that an unidentified breakaway group was threatening a return to violence, but Mr. Hutchinson said: "Of course there are people who are unhappy.

"The IRA has breached the ceasefire, but it is my belief those people will abide by the laws laid down by the CLMC. The CLMC will make judgments about when it is time to go back to war.

"The political analysis we are giving them is we need to see this process out. It could end on June 10, or begin on June 10. We have to give it a trial period and this is what the CLMC is prepared to do."

Sinn Fein's northern chairman Gerry O'Hara said nationalists should be vigilant because of what he claimed was increasing evidence of loyalist preparations for renewed attacks. Personal security arrangements should be reviewed.

He said: "Pubs, clubs, and other premises which have in the past been targeted by loyalists should as a matter of urgency reintroduce security arrangements which might have lapsed in recent times."

UK: Loyalist Elements Threaten PIRA/Sinn Fein Members

MSD403090196 London *THE GUARDIAN* in English
4 Mar 96 p 2

[Report by David Sharrock and Patrick Wintour: "Loyalist Splinter Group to Renew Ulster Attacks"]

(FBIS Transcribed Text) A split in loyalist para-military ranks has cast a shadow over today's opening round of proximity meetings intended to pave the way for Northern Ireland's all-party talks in June.

Hard-line dissident elements of the two main loyalist groups, the Ulster Volunteer Force (UVF) and the Ulster Freedom Fighters, announced they were pulling out of the ceasefire. "From today we will execute members of PIRA [Provisional IRA] and Sinn Fein," a spokesman for the breakaway faction told a Belfast newspaper.

The hooded spokesman — holding an Uzi sub-machine-gun — said the peace process was a farce and that unionists were being humiliated into making concessions.

A new group, neither UVF nor Ulster Defence Association, would create "a balance of fear", but its operations would not include the Irish Republic, there would not be random sectarian attacks and it would stop if the IRA declared another ceasefire.

Sinn Fein warned its members and nationalists to be extremely vigilant. The party's Six County Chairperson Gerry O'Hara, said: "Pubs, clubs and other premises which have in the past been targeted by loyalists should as a matter of urgency reintroduce security arrangements which might have lapsed in recent times."

The Ulster Unionist leader David Trimble, said he was very concerned about the claims of a return to violence.

"There was a hint of this sort of action several months ago," he told BBC TV's *BREAKFAST WITH FROST* programme. "Dissident elements from both the UDF [Ulster Defense Force] and the UDA [Ulster Defense Association] were threatening to combine. They were persuaded not to."

Gary McMichael, leader of the Ulster Democratic Party which has links with the UDA, said: "We have absolutely no information about this group. It's not a stunt by them, but if it's genuine then obviously only a small number of people are involved. And if they are genuine then it makes it more difficult for the Provisionals to renew their ceasefire."

The Rev Roy Magee, the man who helped broker the loyalist ceasefire in the summer of 1994, said he was summoned to a secret meeting with dissident UVF members on Friday evening.

"They indicated there was deep concern particularly with the response by the Prime Minister to the London bombing," he told BBC Radio 4's *THE WORLD THIS WEEKEND*. "They said it appeared to them to be obvious that violence still paid. They were concerned about this and they would consider taking action."

A few days after the IRA bombed Canary Wharf, a senior loyalist leader said the ceasefire would hold so long as the Government did not "reward" republicans with all-party talks.

The path to these talks will get off to a rocky start today, with the two main unionist parties refusing to turn up and Sinn Fein complaining that it is being excluded.

Ireland: Bruton Hopes Adams Visa Help Toward Cease-Fire

*LD0303133796 Dublin RTE Radio One Network
in English 1300 GMT 2 Mar 96*

[FBIS Transcribed Text] The taoiseach has described the American decision to grant a visa to the Sinn Fein leader Gerry Adams as a normal one. Mr. Bruton said he hoped the granting of the visa would help Sinn Fein to go to the IRA and recommend that the cease-fire be reinstated. The taoiseach was speaking in Bangkok, where he has been attending the Europe-Asia summit. From there, our Europe correspondent, Tommy Gorman:

[Begin Gorman recording] Mr. Bruton made his comments about the Gerry Adams visa a short time ago. He said: I hope it helped Sinn Fein to recommend to the IRA that they reinstate their cease-fire. He recalled that in 1994, by granting Gerry Adams a visa, the U.S. Administration had played an important role in getting the original cease-fire declared.

A government spokesman has commented on reports that the taoiseach asked the SDLP [Social Democratic and Labour Party] to abstain in last Monday's House of Commons vote. The statement read: The taoiseach had many confidential consultations in a successful pursuit of his goal of getting a fixed date for all-party negotiations, and of removing all possible obstacles to that. These will remain confidential. There the statement ended.

The summit of the EU and Asian leaders has just ended here. Mr. Bruton will leave for Dubai tomorrow. [end recording]

Ireland: Bruton Interviewed on Peace Process

*LD0303145796 Dublin RTE Radio One Network
in English 1305 GMT 3 Mar 96*

[FBIS Transcribed Excerpt] Tomorrow [4 March] will see the start of intensive talks at Stormont convened by the British and Irish Governments and intended to involve all the Northern parties, although the main Unionist parties will not actually attend at Castle buildings. These multilateral discussions will go on for 10 days and represent phase one of the time-specific package announced by John Major and John Bruton at Downing Street on Wednesday [28 February]. Full-scale talks are set to begin on 10 June after an election. [passage omitted]

The Taoiseach has been speaking to Tommy Gorman in Bangkok. He asked him first about the pressure John Major had been under trying to agree [to] the commu-

nique, while facing possible defeat in the Commons over the Scott report.

[Begin recording] [Bruton] Every politician has to operate in a democratic environment and has to get support in their parliament to continue with their policies. Obviously, that was very much on the prime minister's mind and I think it is very important that, despite that, we were able to get an agreement, which is a very, very important agreement, something that we have been looking for months, even years — and that is, a date for all-party talks. The British prime minister and I have set the way forward, we have set the day. It is now for everybody to take the necessary decisions that are within their control to enable the opportunity for peace and reconciliation to be seized.

[Gorman] He has been criticized in many quarters during the peace process for not going far enough. Do you think that in the last week he has gone that extra mile, that he has made the gestures that are necessary to accommodate nationalist concerns?

[Bruton] Yes, emphatically I believe he has. I think it took a lot of courage because, obviously, as you referred to earlier in the interview, he was working under very difficult political conditions. But despite those conditions, he has been willing to agree with me to set a date, without preconditions, for all-party talks so that the problems that are there — and there are many — and the injustices that are there — and there are considerable injustices — that those can all be remedied by democratic methods of politicians talking to one another without threat or without any possibility of violence.

[Gorman] Some of your critics have said in the past that maybe you have not been entirely focused on what should be a major role for an Irish prime minister, to bring the nationalists with them into all-party talks, to take account of nationalist opinion in a very meaningful way. Do you think that has been done by both you and the British prime minister now?

[Bruton] My focus was very clear this week. My focus was to get a date set for all-party talks because I believed, and believe, that that was the basis on which we could restore the peace and solve our problems. By focusing on that, and by talking to everybody I needed to talk to, to remove every possible real or imaginary obstacle to the setting of all-party talks, by doing that intensively, I succeeded in having a date set and now we have the conditions for peace.

[Gorman] So what do you think is going on between Sinn Fein and the IRA? For instance this statement by the IRA was issued after John Hume and Gerry Adams

had gone to the IRA and yet it did not seem in your interpretation to take into account the full importance of the communiqué itself. At the very least, that is unprofessional by any organization when this major development had taken place that they would not take it into account? [sentence as heard]

[Bruton] Well, I could not really explain how that came about, but I accept that that is what happened, that they did not actually have the communiqué in their possession at the time they were preparing the statement that they issued. But now that they have the communiqué, now that they know that a fixed day has been set for all-party talks, I think they should now go through quickly the necessary consultations and make the necessary decision to reinstate the cease-fire. I think the Irish people are entitled to peace, they are entitled to peaceful conditions in which to sort out their differences. They are entitled to the space to enable democratic politicians to do their democratic business around a table.

[Gorman] But if there is a unit within the IRA, if there is a part of the IRA's organization that says: this still is not enough for us, and that it seeks to resume its campaign, what can you do in that situation?

[Bruton] Obviously, governments have their own resources for dealing with security problems, but I do not really believe that there is a security solution to the problems that we have in Ireland. The solution is to be found through talks. We have now set a date for talks. The only requirement for any party to take part in those talks is that they are not involved in violence or in the support for violence. That is very simple, it is a very normal, it is a very human objective and a human requirement: Have no part of violence and you can have a full part of talks in the political process and those talks will start on 10 June.

I asked everybody, I appeal to everybody who has influence in Sinn Fein, who has influence on the IRA, to recognize that their people are entitled to be represented in the talks and the one requirement that needs to be fulfilled for them to be represented and for the Irish people to be able to resolve their problems is for the IRA to say: We are stopping our campaign of violence.

If you have violence, you will not have prosperity because you will not have peace and you will not have the rule of law. In fact the primary function of political leaders is to provide stability and the space within which people can make a better living for themselves. And that is what we are doing in the peace process, trying to create space for people to build a better life by creating peaceful conditions and removing the threat of violence entirely. The existence of even the threat of violence

reduces the economic potential of a country and that is why we want talks started and we want the threat of violence, as well as the actuality of violence, removed once and for all from Irish life.

The obstacle to that in the minds of the republican movement has been, for a long time, that they could not get talks or they believed that they were being offered talks but there was some precondition in the way. They are now being offered talks on 10 June without any precondition.

[Gorman] One final question Taoiseach: Every republican you meet has one basic view, that they would like to see a united Ireland. Do you think there is any possibility of there being a united Ireland in your lifetime?

[Bruton] Well, the position that has been agreed, I believe, between Sinn Fein and the SDLP [Social Democratic Labour Party], between John Hume and Gerry Adams, is that what they are looking for is agreement within Ireland between the two sections of the Irish people, agreement between unionists and nationalists, not any particular form of agreement, just an agreement. And that agreement is something that must be achieved through talks, and that is why it is important that we start the talks, now that we have a date set for the talks, that we create the conditions in which everybody can take part. The only barrier preventing, for example Sinn Fein, from taking part is the IRA not yet having reinstated their cease-fire.

[Gorman] But what do you, John Bruton, Taoiseach, want to see coming out of those talks? What sort of an Ireland do you want to see at the end of it all?

[Bruton] The sort of Ireland I want to see is an Ireland where people — whether they have a British allegiance, in other words, that they are unionists, or have a nationalist allegiance and believe that their loyalty is to all-Ireland — that whatever their allegiance, both sets of people will feel equally at home, equally in their own place, equally at ease at one another and with the people of different allegiance. In other words, we have an Ireland where there is space for everybody, where there is a sense of relaxation and dignity and respect for everybody. That can only be created through the political conditions that result from agreement between people who have not, unfortunately, on this island of Ireland, been able to agree for the last three centuries.

I hope that by that talks that start on 10 June we will actually be able to create that sort of agreement that has been missing on the island of Ireland for at least three centuries or more. [end recording]

Ireland: Spring Urges Unionists To Attend Stormont Talks

LD0403093596 London PRESS ASSOCIATION
in English 0833 GMT 4 Mar 96

(By Ian Graham, PRESS ASSOCIATION News)

[FBIS Transcribed Text] Unionists were today challenged to face up to their political responsibilities by joining other parties for talks opening in Belfast today.

Ten days of intensive talks hosted by Irish deputy prime minister Dick Spring and Ulster Secretary Sir Patrick Mayhew are designed to pave the way to elections in May and all-party talks on the future of Northern Ireland on June 10.

Both the Ulster Unionists and the Democratic Unionists are refusing to go to the special conference centre set up at Castle Buildings on the Stormont Estate because of the presence of Mr Spring.

But today Mr Spring said he hoped they would change their minds. "I would hope the Unionist parties will live up to their political responsibilities by participating with the other parties and the two governments in the search for agreement."

He insisted the Irish Government was not seeking to interfere in exclusively internal Northern Ireland matters and only wanted involvement in discussions about north-south and east-west relationships.

Ulster Unionist leader David Trimble confirmed they would not be there — but insisted they were not boycotting the new round of talks.

However, he said the party planned to meet Sir Patrick later in the week. That meeting is expected to be in London on Wednesday.

Sinn Fein has not been invited to the talks because the IRA ceasefire has not been reinstated.

They have the option of meeting with British and Irish Government officials — rather than ministers — and are expected to meet today to decide where to seek such contacts in a bid to keep in touch with the dialogue.

Sir Patrick and Mr Spring will meet in the morning to discuss the organisation of the 10 days of talks and to review developments since the Anglo-Irish summit last Wednesday.

In the afternoon they will have a first meeting with John Hume's SDLP.

Ahead of today's "proximity" talks on the way ahead for the peace process, the Republic's Premier John Bruton urged the IRA to make an announcement as soon as possible.

"I think the Irish people are entitled to peace and peaceful conditions to sort out their differences," he said.

At the same time, loyalists warned of a new crisis if the republican leadership delayed for much longer an end to their renewed campaign.

Billy Hutchinson of the Progressive Unionist Party said: "I think they should have this ceasefire reinstated very quickly, because we could be pushing the country back to the brink and into the abyss of where we were for 25 years. Nobody wants to see that."

An Ulster Volunteer Force breakaway group was reported to have threatened to resume attacks on republican targets.

Republican sources confirmed yesterday that it could be some time before the Provisionals make any announcement, and although loyalist representatives moved swiftly to dampen speculation of a threatened return to violence by Protestant paramilitary dissidents, it is against this background that Mr Major and Mr Bruton must attempt to get the peace process up and running again.

A new ceasefire is critical, however, if any sort of real progress is to be made, and the Irish Premier insisted the conditions were right for another one to be called immediately.

Mr Bruton, due back in Dublin today a.l., after meetings with Mr Major on the fringe of the Euro-Asian summit in Bangkok, said: "The solution is to be found in talks. The only requirement for any party to take part is that they are not involved in violence or the support of violence."

Sinn Fein's northern chairman Gerry O'Hara said nationalists should be vigilant because of what he claimed was increasing evidence of loyalist preparations for renewed attacks. Personal security arrangements should be reviewed.

He said: "Pubs, clubs, and other premises which have in the past been targeted by loyalists should as a matter of urgency reintroduce security arrangements which might have lapsed in recent times."

Germany: Bundestag Discusses Controls on Immigration

AU0103170896 Munich SUEDDEUTSCHE ZEITUNG
in German 1 Mar 96 p 2

[Report by "deu": "Lafontaine: Kohl Must Clarify Matters"]

[FBIS Translated Text] Even in the government and among the coalition parties, there are increasing calls to curb immigration because of the labor market situation. Labor Minister Norbert Bluem already said in September 1994 that the increase in the number of working people must be curbed. Bluem said in the Bundestag that one way of doing this is strict controls on the arrivals of foreigners. "But a control on immigration in line with the situation on the labor market is also required," he said. Herman Otto Solms, Free Democratic Party [FDP] group chairman, said that his party is striving for a comprehensive law to control immigration. At the same time, he accused the Social Democratic Party [SPD] of turning the issue of immigration into an election topic. "By doing so, the SPD is increasing the election chances of the Republikaner rather than its own chances," he said.

SPD chairman Oskar Lafontaine, the initiator of the national debate on limiting immigration, called upon Chancellor Kohl to clarify the issue of immigration. Foreign Minister Klaus Kinkel and Christian Democratic Union/Christian Social Union [CDU/CSU] group chief Wolfgang Schaeuble said they want no changes to immigration, but Baden-Wuerttemberg CDU deputy Otto Hauser and CSU General Secretary Bernd Protzner agreed with Solms that immigration be restricted. "In view of the shortage of 6 million jobs and at least 2 million apartments, it is irresponsible to continue to admit 220,000 people into the country each year," said Lafontaine. "Neither does it lie in these people's interests to enter a foreign country merely to encounter unemployment and a lack of future prospects."

Germany: Kanther Demands End to Anti-Resettler Campaign

AU0403125096 Hamburg WELT AM SONNTAG
in German 3 Mar 96 pp 1, 2

[Report by Heinz Vielus: "Kanther: Stop Campaign Against Resettlers — Scharping Supports Lafontaine"]

[FBIS Translated Excerpt] Bonn — FRG Interior Minister Manfred Kanther (Christian Democratic Union) has warned the Social Democratic Party of Germany [SPD] against continuing the "anti-resettler campaign" in Germany that its chairman Oskar Lafontaine has "unleashed." [passage omitted]

"If Mr. Lafontaine now wants an end to the debate, he just has to stop his unpleasant campaign," Kanther says. "Then the point will again be taking care of supporting the Germans in East Europe in their homeland — for instance, by providing language courses for would-be emigrants." Kanther pointed out that the law on assigning places of residence, which has come into force just now, will improve the distribution of resettlers in Germany. "Here the laender are now called upon to initiate the necessary measures as quickly as possible so that integration is promoted by all means. This is the Federal Government's policy."

Rudolf Scharping, chairman of the SPD Bundestag group, supports Lafontaine and the Federal Government of having "criminally neglected" the integration of the resettlers. The problem of the resettlers must now be tackled carefully but consistently, he told WELT AM SONNTAG. [passage omitted]

FRG Justice Minister Edzard Schmidt-Jortzig (Free Democratic Party of Germany) has accused the SPD of conjuring up "panic scenarios." "We cannot offend this group, whose right to come to the FRG is guaranteed by the Basic Law," he told VOLKSSTIMME AM SONNTAG in Magdeburg. He came out in favor of an immigration law that would offer the opportunity to control immigration. [passage omitted]

Michael Glos, chairman of the Christian Social Union Land Group in the Bundestag, told WELT AM SONNTAG: "The campaign against the ethnic German resettlers is not only lousy but also reveals the SPD's arbitrariness and lack of principles. The SPD is hypocritical and speaks in two tongues: On the one hand, it tries to undermine the asylum law, and, on the other, it fans the mood against Germans who were persecuted because of their origin."

Glos accuses the SPD of keeping silent about the facts: "Since 1993 there have been comprehensive reductions in language courses, integration aid, and pensions for foreigners, to which ever fewer late resettlers are entitled."

Christian Democratic Union Secretary General Peter Hintze told WELT AM SONNTAG: "Lafontaine is fanning resentments, xenophobia, and fear. Lafontaine is the only one who is able to hug the left-wing radicals and the right-wing radicals at the same time."

Germany: Statistics Show Declining Number of Resettlers

AU0303170996 Berlin DIE WELT in German
2-3 Mar 96 p 2

[Report by Roland Nelles: "Waffenschmidt: Fewer Resettlers Than Last Year"]

[FBIS Translated Excerpt] Bonn — The number of resettlers who come to Germany has clearly decreased. According to State Secretary Horst Waffenschmidt (Christian Democratic Union), the Federal Government's commissioner for resettlers, so far this year 2,000 fewer resettlers have come to the FRG than during the same period last year. In all, 29,061 recent resettlers have been registered since 1 January 1996, Waffenschmidt stated in Bonn yesterday. The number of applications for acceptance has also been smaller: During the first two months of 1996, 3,273 fewer applications were made than last year.

By presenting the new statistics, Waffenschmidt is countering demands by Social Democratic Party of Germany Chairman Oskar Lafontaine to limit the immigration of resettlers. The commissioner for resettlers called on the laender to make use of the law on assigning places of residence, which has been in force since Friday [1 March]. The law provides the opportunity to avoid "wrong accumulations of resettlers with negative consequences." A total of 200,000 resettlers per year can be appropriately distributed among about 10,000 cities and communities in Germany, Waffenschmidt said. In this connection, he stated that the demands by Lafontaine and other leading Social Democratic Party politicians are "election campaign slogans." [passage omitted]

Germany: Press Views Ruehe's Criticism of France

AU0203180296

[FBIS Report] On 2 March three major west German dailies, FRANKFURTER ALLGEMEINE, DIE WELT, and FRANKFURTER RUNDSCHAU carry commentaries on Defense Minister Volker Ruehe's comments on France's decision to abolish compulsory military service.

The text of the 250-word commentary in FRANKFURTER ALLGEMEINE on page 10, signed by "fy" and entitled "Painful and Helpful," reads as follows:

"No member of the Kohl government may publicly criticize France. All the more important are the German defense minister's tight-lipped comments on President Chirac's decision to establish a professional army with the priority task of projecting power all over the world. The fact that Paris acted without including Bonn in the decisionmaking process must have a devastating effect

in our country, since it shows how far we are away from the goal of a common foreign and security policy and a European army. France has taken a course which Bonn cannot follow. Even more: By creating the means to intervene all over the world also without NATO, Paris forces its German partner to wonder to which extent he can get involved with France. Such clarifications are sometimes painful but also helpful; they can even contribute to bring about a certain awareness. This is shown, as Defense Minister Ruehe proves, by the rediscovery of the great importance of compulsory military service in Germany and the role it has after France has abolished precisely this compulsory military service."

The 350-word commentary by Ruediger Moniac in DIE WELT on page 4, which is entitled "For Compulsory Military Service," reads in its entirety:

"Unleashed by France, where the debate about the abolition of compulsory military service is in full swing now, the discussion about the pros and cons is also beginning in our country. In this connection, one can see a very special phenomenon: While the French will probably give up general compulsory military service, it seems that the Germans are currently rediscovering it.

The decisive stimulus for the fact that the German discussion about Bundeswehr and compulsory military service is not being dragged down by the French debate was provided by Defense Minister Ruehe at the right moment. His comments on the varied importance of compulsory military service sound like a list of lessons in political education for all those who had become used to leaving the Bundeswehr to fend for itself over the past years. The fact that the concern for external security is a matter for everyone and that general compulsory military service is the specific expression for everybody's duty is as important in attributing weight to it as the insight that only with the help of the conscripts is the army able to exploit the reservoir of young people in terms of intelligence, republican attitude, and vocational qualification to gain their future commanders.

"However: Ruehe's list must be supported credibly by as many politicians as possible, but also by teachers, parents, and other people responsible in state and society. Most recently, there has been an increasing lack in the dedicated advocates of those citizens, who make the defense of the state their task, as Scharnhorst said. Therefore, it has become possible that the conscientious objector often has a better reputation among the people than the conscript. Will this now change?"

The text of the 250-word commentary in FRANKFURTER RUNDSCHAU on page 3, signed by "sic" and entitled "Stupid French?," reads as follows:

"Is the French Government really as stupid as Defense Minister Volker Ruehe wants to make us believe? After deciding in favor of a professional army, does France now rely on the Bundeswehr in national defense? And are the U.S. forces — as Ruehe insinuates — not integrated in the democracy of the United States and are they the more stupid army compared with the Bundeswehr of conscripts? When one's own military concept begins to shine just because one denigrates the allied armed forces, one does something neither for the alliance nor for the justification of why Germany intends to stick to compulsory military service while the trend to a professional army is gaining ground among the allies.

"If the 'complementary nature' of tasks between Germany and France had been the decisive factor for a French professional army, as Ruehe insinuates, then Bonn really would have every reason to be offended, because then Paris would presume to assign a role to the Bundeswehr.

"No, Paris drew up a rather relentless balance sheet and came to the result that in the foreseeable future international tasks and national threat can be covered best with the concept of a professional army. This discussion has been lacking in Bonn so far. There arises the urgent impression that compulsory military service — which had no alternative in the Cold War — has become a taboo. Instead of looking down on the allies' decisions, Minister Ruehe should examine whether he is not primarily driven by the shadows of the past."

Germany: AIZ Reportedly Wants Alliance With Islamists

AU2023190996 Berlin DIE WELT in German
2-J Mar 96 p 6

(Report by Peter Scherer: "Leftists Terrorists Looking For Allies")

(FBIS Translated Text) Frankfurt/Main — Is the FRG threatened by a terrorist alliance of German left-wing extremists with militant Islamist groups? This is, at least, what is being sought by a new generation of leftist terrorists, who want to turn Germany into a "part of the anti-imperialist frontline" through bomb attacks and attacks with guns. According to findings by the Federal Office for the Protection of the Constitution (BfV), the group united in the so-called Anti-Imperialist Cell (AIZ) is clearly aiming for cooperation with "revolutionary Islamic" organizations. The "fighters" in these groups are their "sisters and brothers" for the AIZ activists.

The search for cooperation with such groups — in Germany itself 14 of these groups are active — is an express part of the violent concept of the terrorist group, which has become increasingly dangerous and unpredictable over the past years, BfV officials say. In particular, the AIZ is making efforts to gain the support of like-minded Kurds and Palestinians.

After its last attack on the seat of the Peruvian honorary consulate in Dusseldorf on 23 December 1995 the AIZ praised the "sharpness and beauty" of Islam as "revolutionary weapons" in a long letter claiming responsibility for the attack. In the future, the AIZ will "increasingly connect its activities with those who challenge imperialism in a militant manner on a revolutionary Islamic basis," the bomb layers announced.

The Islamic extremist groups have by far the largest number of members and followers of all the extremist foreigners' organizations that operate in Germany. According to the security authorities, at the end of 1993 these groups had more than 21,200 members or sympathizers. In 1994 they were able to raise the number of their members to a total of 26,380. The trend continues to rise.

In an analysis of the ideological basis and the conceptual line of the AIZ, the BfV comes to the conclusion that the AIZ understands itself as the extended arm of the Third World's liberation movements. It expressly advocates an armed struggle carried out by guerrillas. In the view of the AIZ, the imperialistic bloc of power, which dominates the world, consists primarily of the United States, the EU under the leadership of the FRG, Russia, and, to a certain extent, also Japan.

Germany Expects More Medium-Sized Industry in PRC

AU2802132096 Bonn TECHNOLOGIE NACHRICHTEN MANAGEMENT-INFORMATIONEN in German 30 Jan 96 p 5

(Unattributed report: "Stronger Involvement of Medium-Sized Companies in China Expected")

(FBIS Translated Text) The Federal Government expects the second medium-sized industry conference, which will take place in Beijing in June 1996, to provide stimuli for the stronger involvement of medium-sized industry in China. This is pointed out by the Federal Government in its response to a small inquiry by the Party of Democratic Socialism on economic cooperation with China and Vietnam. In order to prepare for this conference, the FRG Economics Ministry will finance three branch-specific export promotion seminars

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in China, which are tailored to the sectors of machine-building, electrical engineering, and automobile subcontractors. Medium-sized companies are also to be supported by a German industry and trade center as well as by a delegates' office of German industry, which are to be established in Beijing. It has been possible to make progress with these plans during the talks of the chancellor's delegation with the Chinese Government. The model export agreement, which has been worked out by the German-Chinese "Standard Contracts Expert Group" and was presented in the presence of the heads of government, is also an essential help to the export efforts in particular by smaller and medium-sized companies. The Federal Government expects the medium-sized companies to become strongly involved in foreign trade with China, since products of machine and instrument building, electrical engineering, and electronics, as well as of precision mechanics and optics, which are exported primarily by medium-sized companies in Germany, have a major share in German exports to China.

According to the Federal Government, the EU's arms embargo against China dating back to 1989 is still valid. Supplies of German military weapons or other armaments goods cannot get a permit. According to the Federal Government, it cannot yet be fully evaluated how the "high-level talks" of the chancellor and the FRG economics minister in China will affect the commercial projects of German companies. However, they have improved the prospects for German companies, which are competing for quite number of major projects in China. The 12 contracts which were signed in China and have a delivery volume of about 2 billion marks are only a first indication of this. These and other contracts which are to be expected in the future will have a positive effect on orders and employment in Germany, even though it is impossible to say how many jobs will be created as a result.

France: Article Analyzes U.S. Policy Toward Gulf States

*BROJ03141596 Paris LIBERATION in French
1 Mar 96 p 10*

[Article by Jean-Pierre Perrin: "Gulf States Bogged Down in Pax Americana"]

[FBIS Translated Text] One country is missing on the map of the Gulf. Five years after operation "Desert Storm," Iraq, ruined by its defeat and asphyxiated by the multifaceted UN embargo, is still a nation very much under supervision. A country whose sovereignty has been limited, it is completely absent from the economic and diplomatic scene and is even cut off from the rest of the world. Punished for the invasion of Kuwait and further punished for having hidden, with a rare obstinacy, its weapons of mass destruction from the UN inspectors, Baghdad is also isolated for much less accredited reasons, reasons which are in any case not mentioned in the UN resolutions taken against it. Paradoxically, the quarantining of Iraq has scarcely benefited the two other leading powers in the Gulf, namely Iran and Saudi Arabia. Wiser and keen to avoid stirring up any kind of trouble with the oil sheikhs who are quick to take fright, and faced with a specifically US embargo, Tehran is keeping a low profile. The Saudi kingdom, with cash flow and ascendancy problems, has also noticeably taken a back seat on the regional scene. Now Washington has all the time in the world to maneuver and impose its "pax Americana" on the Gulf.

However, for the past 18 months those in favor of relaxing the embargo or even doing away with sanctions altogether, have become the majority in the Security Council, and that includes the permanent and non-permanent members. Thus, according to former Foreign Minister Jean-Bernard Raymond in a recent report to the National Assembly, France considers that "far from threatening the regime, the embargo is consolidating its hold over the people. The distribution of ration books, essential for the survival of most Iraqis, is being used as a way of controlling them. The embargo is the perfect scapegoat for the problems that Iraq is facing."

Now only US obstinacy and, to a lesser extent, that of Great Britain, stands in the way of a relaxing of the sanctions. Both nations have the right of veto. Ghassam Salame, research director at the French National Scientific Research Center believes there are four reasons for the US obstinacy. The first reason is to keep Iraq on the defensive as long as Syria, a traditional rival of Baghdad, has not signed a peace agreement with Israel. Ghassam Salame stated: "The conclusion of the peace process requires the neutralization of Baghdad."

The second reason is to prevent Iraq from returning to the oil market (it was producing 3 million barrels of oil per day before the war, equivalent to \$11-12 billion today), since this would be to the detriment of the allies, Saudi Arabia and Kuwait. The third reason is to maintain a status quo and prevent Baghdad from returning to the political scene during the U.S. presidential campaign, since this would preclude President Clinton's chances of reelection. Finally, and this is a fundamental reason, the aim is to curb the Iranian influence, that is to say the Islamist influence, in the Gulf region because Washington believes that this remains a threat for the oil emirates and Saudi Arabia.

The U.S. doctrine for the Gulf remains that of "dual containment" established in 1993 by National Security Adviser Anthony Lake. For him, Iran and Iraq are two predators that should be isolated, in particular through embargoes. Ghassam Salame points out that "the maintaining of sanctions against Iraq favors increasing those against Iran," which is what New York Senator Alfonse D'Amato is currently involved in. A French diplomat adds: "Some of the oil monarchies are now less sensitive to the Iraqi threat. They are now more afraid of Iran. Therefore, the idea of retaining both these scarecrows is important. In addition, the United States still wants to make the Iranians pay for attacking the U.S. Embassy in Tehran in 1979 and the lengthy period that 50 or so of its nationals were held hostage."

Thus the dual containment policy makes it possible to both consolidate the "pax Americana" and to reassure the oil monarchies. Naturally, by brandishing the twin scarecrows of Iraq and Iran the Americans can also pressure the oil states into signing major contracts that guarantee the survival of the U.S. arms industry. Thus, since 1991, Riyadh has ordered \$25 billion-worth of weapons from Washington, weapons that experts consider Saudi Arabia has no need of.

The fact that behind the smokescreen of the embargo on Iraq, Iran is being targeted too, we might have expected Tehran to protest all the more stringently. However, the Iranian regime is showing great self-restraint, even if its recent annexing of the island of Abu Mousa only served to heighten the concern of neighboring Gulf states. Ghassam Salame notes: "The Iranian regime knows that it is not able to stand up to the United States and it is therefore keen not to give the Americans any pretext for taking action against it. Moreover, like the past great Shah of Iran, this regime is again looking to central Asia." Thus it is in Iran's interests to ensure the stability of the Gulf region. Francois Thual, a researcher at the International and Strategic Research Institute adds: "This is because it is involved in the conquest of central Asia and the struggle to capture the fabulous

oil and gas wealth in the region: It wants these resources to transit through Iran and be exported through its port of Bandar Abbas."

With Iraq and Iran thus neutralized, Washington can now turn its attention to consolidating the "pax Americana" and making the region fully dependent on it. Since the end of the Gulf war the United States has signed agreements for the use of the ports and airports of six Arab Gulf states: Saudi Arabia, Kuwait, Qatar, Oman, Bahrain, and the United Arab Emirates. It also has several bases and a military presence estimated at around three divisions. One new piece of information which has been discreetly leaked recently at various colloquia is that America considers the Gulf to be strategically important for the West and therefore intends to retain a presence there for some time to come, "with the tacit agreement of the Europeans." The message appears to be, in effect: "Don't bug us in the Gulf, since we are defending your interests there too."

However, can the Americans really do much in the face of the continuing volatility of this rich region which is in the hands of a few princes, while there is an undercurrent of a frustrated bourgeoisie and bubbling Islamic ferment? Perhaps an initial answer to this question has already come with the violent riots in Bahrain, the coup in Qatar, the border conflicts between these two nations, and the uprising of 13 November in Riyadh which killed 5 U.S. soldiers and left 60 people injured...

France: Koljevic Arrested, Released in Paris 2 Mar

*BR0403145796 Paris AFP in French
1349 GMT 4 Mar 96*

[PBSI Translated Text] Paris, 4 Mar (AFP) — Nikola Koljevic, the "vice president" of the Serbian Republic (a Serbian component of Bosnia) was arrested by the police upon his arrival in Paris on Saturday [2 March], well-informed sources disclosed on Monday [4 March].

Koljevic, who had an international arrest warrant for genocide issued against him in June 1992, was apprehended by forces of the DICCILEC [Directorate for the Control of Immigration and the Fight Against the Employment of Illegal Immigrants] at Roissy-Charles-de-Gaulle Airport upon his arrival from Belgrade.

He was released early in the evening after French Government authorities interceded, the same sources added.

Protected by his diplomatic status, Mr. Koljevic had traveled to Paris in November 1995 to attend the signing ceremony of the Dayton peace accords. It is being said

that he is not on the list of individuals being sought by the International War Crimes Tribunal.

France: OPCE Considers Cost of EU Expansion Bearable

*BR2702154896 Paris LES ECHOS in French
27 Feb 96 p 4*

[Report signed "J.M.L.": "Enlargement to East a Bearable Cost"]

[FBIS Translated Excerpt] The Senate's EU delegation recently adopted a report on the consequences of the enlargement to the East. The main conclusion of this read: "At the macroeconomic level this enlargement should not pose an insurmountable problem and could, in the longer term, result in slight additional growth for the Union."

This analysis of the French Economic Observatory [OPCE] may surprise some people. However, it should be borne in mind that the total GDP of the six countries of Central and Eastern Europe (Poland, Hungary, Czech Republic, Slovakia, Romania, and Bulgaria) in current terms represents barely 3 percent of the total for the Fifteen and, corrected for purchasing power, around 7 percent.

"About as much as the Netherlands," Michel Barnier, French minister delegate for European affairs, has taken to saying. [passage omitted]

Paris: A Joint Conference

The OPCE commented: "The initial cost to the Union budget is ECU20 billion per year, that is to say 0.2 percent of GDP, but this funding will have a favorable impact."

This general analysis will only be slightly attenuated for sensitive industries. The Senate also downplayed the alarmist assessments of the cost to the Common Agricultural Policy [CAP]: "Well negotiated, the extension of the CAP to the countries of Central and Eastern Europe will not require fundamental changes to be brought." On the other hand, the Senate delegation is in favor of revising the cohesion policy applied through the structural funds. To avoid their extension to the Eastern countries causing an excessive rise in EU spending, the Senate suggests two lines of reform: concentrating aid on specific themes and on specific regions. In these conditions, the participants at the Intergovernmental Conference would be free to make the necessary institutional changes.

Very Gradual Integration

Lastly, to prevent any acceleration in the process of EU membership, French Foreign Minister Hervé de Charette suggested on Thursday [22 February] in Bonn that "As soon as talks begin a European conference could be organized between the EU states and all prospective

members with an agenda different from that of the Union."

The purpose of this maneuver is to ensure the very gradual integration of candidate countries.

**Italy: Foreign Ministry Head on EU, EU-U.S.
Relations**

**BR0403133696 Milan IL FOGLIO in Italian
1 Mar 96 p 2**

[Interview with Italian Foreign Ministry Secretary General Boris Biancheri by unidentified correspondent in Rome; date not given: "It Will Not Be War (if Clinton Wins) Between Euro and Dollar"]

[FBIS Translated Text] Italy is emerging from its defeat in World War II, which for 50 years has limited its sovereignty, and is seeing the sun set on Atlanticism, which has united the two shores of the ocean against the communist threat. We asked Foreign Ministry Secretary General Boris Biancheri to talk to us about relations with the United States during the current process of European integration.

[Biancheri] As you say, the glue that the threat of the Cold War represented is over and done with, although the risks have not disappeared. The nature of the challenges that have to be met with force has changed, but the challenges are there all the same. What is changing is the very concept of national interests. Thanks to the media, public opinion is caught up in a wider sphere of interests, as the instance of the former Yugoslavia has shown. What is more, the Atlantic partnership is not based on the defense interest only, but on cultural similarities, on economic complementarity, in short, on a broad sphere of shared interests that make for a bond with which Europe's ties with other parts of the world do not stand comparison.

[Correspondent] The crisis in the former Yugoslavia has laid bare divergences and a lack of mutual understanding between the United States and Europe, plus the raw nerve of the NATO bases, which are now a bone of contention.

[Biancheri] Yugoslavia is a story on its own. American public opinion thought it was a European matter that it was up to Europe to deal with, an understandable reaction, but rather on the naive side, because Europe does not exist as such, as a decisive player. It lacks the military tools for intervention, and it does not yet have adequate means for controlling crises of that scope. It thus took traditional action, intervening at what was basically a national level, then under the United Nations umbrella, though still separately. The UNPROFOR [United Nations Protection Forces] affair went the way it went, and in the end the United States decided on intervention. To the American way of thinking, which is very pragmatic and likes short cuts, there was frustration on two levels: They saw that Europe was neither acting,

nor does it speak with a single voice, thus making it an extremely difficult, slow negotiating partner.

We cannot blame the Americans for what has happened, although Europe, and in particular the countries that have made a direct contribution in the form of forces on the ground, has felt frustrated at the lack of acknowledgement of the major political and financial sacrifices that it has made and the practical contribution that it has given. This lack of understanding went on until the Americans took over the decisionmaking, and the outcome has been the Dayton settlement. America now has a massive military presence there, whereas Europe has had the civilian aspects assigned to it. It is a somewhat unbalanced relationship, as it is easier for IFOR [Implementation Forces] to carry out its tasks to the full; they are disciplined military forces with precise targets that they can meet autonomously, whereas the Dayton civil settlements are infinitely more complex.

We Cannot Rebuild Bosnia on Our Own

[Correspondent] What specific steps will the Italian presidency of the EU take to comply with those settlements and guarantee stability in the area?

[Biancheri] Europe has a number of direct responsibilities, in the city of Mostar, for example. We have to give Carl Bildt, the high-ranking official charged with implementing the Dayton settlement, all the support he needs. Europe has already given fairly substantial financial pledges, not sufficient, perhaps, but we await participation in the work of reconstruction by the other partners: America, the Muslim world, which supported Bosnia politically at the most critical time, and even Japan, which has declared itself willing. The Dayton settlement involves protocols hundreds of pages long, which entail carrying out an infinite number of administrative procedures. Time is the problem. The civilian aspects require a military presence, but it will come to an end in the fall of this year. At that time it will have to be seen how much real progress has been made at the civilian level, and whether the elections in Bosnia, which are scheduled to take place no later than June, have been held, although a second date, in September, looks more likely.

[Correspondent] Can the political fragmentation that weighs so heavily on Europe's indecision on matters of common interest be overcome, and, if so, how?

[Biancheri] Having a negotiating partner with a single will and having a negotiating partner who speaks with a single voice are two different things. Common foreign and security policy will be one of the major topics at the Intergovernmental Conference in Turin at the end of March. It is difficult to predict what will be the

outcome of the quest for ways and means that will first of all facilitate the formation of a common foreign and security policy and then state it in unison. Our goal is to move in earnest toward greater cohesion in foreign policy, and various stages can be envisaged. One idea might be to have a Mr. Common Foreign and Security Policy, or several of them depending on the issues to be dealt with; it would be something less than a single representative, but it would be a step forward in any case.

[Correspondent] In other words, a longer, more substantial mandate could be given to one or more representatives, who would flank the serving president. But would this Mr. Common Foreign and Security Policy be answerable to the European Parliament or to the governments of the member states?

[Biancheri] Of the many possible options, Italy definitely favors those closest to the ideal of European integration, which we have always pursued. As president, it is our job to ensure that the matter goes ahead, incorporating not necessarily the most advanced ideas, but those that meet with the greatest support, always moving in the direction of progress and integration, of course, not in a conservative direction. If I were to describe all the features attributed to Mr. Common Foreign and Security Policy, I would prejudice the very outcome of the conference. My concern is that the issue be clearly presented and that this option be taken into proper consideration.

[Correspondent] The single currency is following the timetable laid down in Maastricht, the deadline being 1998 in the light of 1997 figures. It will take six or seven years for the euro to make it into our pockets, but American financial circles already fear negative repercussions on the credibility of the dollar. Are there real grounds for such fears?

[Biancheri] It is difficult to say. Until the single European currency is a tangible reality it is difficult to foresee what consequences it may have. I do not think that the single European currency poses a threat to the dollar. It will undoubtedly have a strong impact both as an international trading currency and in terms of the effect that it may have on reserves, but until we see it at work we can only speculate, and economists would be better at that than I am. You know, there are those in America who are skeptical about the European currency's chances of getting off the ground, and those who are less skeptical, but less in favor of it. The European countries' economies will take due account of such views. Governments take account of what governments say, and the current American administration is not commenting negatively on the integration process.

always provided it constitutes a constant element in the Atlantic partnership, nor on the single currency. If there are columnists who express skepticism or apprehension as to the construction of Europe in the WALL STREET JOURNAL one day and the NEW YORK TIMES the next, we will just have to live with them. Diplomacy moves through different channels. It is the problems bound up with the creation of a single currency, with the parameters laid down at Maastricht, and with the schedule set that count.

[Correspondent] Meanwhile, the globalization of the markets continues to be the driving force behind European integration. The Barcelona conference ended with a declaration of partnership with the Mediterranean countries. What does it mean in concrete terms?

[Biancheri] It is a great design. It means structures that boost confidence, dialogue, preventive diplomacy, consultations, and exchanges among the armed forces of the various countries. The political goal is a Euro-Mediterranean pact giving overall stability, which calls for specific measures. The economic goal is to have a general trading area in 2010. The situation is by no means homogeneous. Europe already has association agreements with many countries, and it will make them with the others. It is a matter of carrying the existing bilateral agreements over into a more homogeneous context. There are countries that already have a market economy, such as Israel, Tunisia, and Turkey, and others that have no, or almost no, experience of one yet, such as Syria. Europe, which has already allocated considerable financial resources to the project, can foster the formation of a free trade network. During its presidency, I think Italy can review the matter and provide a better-focused view of the strategies to be used.

[Correspondent] The 20th century began with the disintegration of three empires, the Russian, Habsburg, and Ottoman empires, and it is ending with the formation of a supranational entity that will give the laws of the economy a political motivation. Is this endeavor, which is without precedent in the history of mankind, not an impossible undertaking as well?

[Biancheri] Societies in the northern hemisphere have a tendency toward fragmentation that has taken on a spectacular form since 1989. It is what has been happening in the former Yugoslavia, the former USSR, the former Czechoslovakia, and Canada, where discrimination is of an ethnic, religious, linguistic, or regional nature, and even in American society, where they are convinced that individual rights are to be asserted in the name of specific groups rather than in universal terms, in other words, in terms of being a woman, a homosexual, a

black, or a Hispanic. Then there is also a trend toward globalization, which has been in evidence for some time in the economy. The two forces pull in opposite directions. The political challenge will be to reconcile them, to find means to render them compatible. The same goes for Europe, which must maintain differentiations within itself.

[Correspondent] Do you think one generation will be time and room enough?

[Biancheri] I believe it is inevitable. When Europe expands from 15 to 30 members, it will have to reconcile the enormous diversity of its components with unity of intent; if it is to preserve its territorial integrity, which will be twice, thrice, or even four times its original size. It is what we now refer to in jargon as flexibility. We have to find new mechanisms, and we are working on it.

Diplomacy Has Changed Greatly

[Correspondent] If you had to give a verdict on the usefulness of the diplomatic career, what advice would you give a young person contemplating it? Would you advise against it?

[Biancheri] No, if I were young, I would do exactly the same thing again, not only because I have had a fulfilling career, but because I regard diplomacy as not just useful, but indispensable, so much so that no country in the world, however modest its ambitions and however limited its interests, can afford not to have a diplomatic service. Of course, diplomacy has undergone some changes. There is frequent contact abroad, and ministers meet one another. Everything has become much simpler. But it is not true that there is nothing more to diplomacy than cocktail parties, although a diplomat does have to attend them, as he will not meet people by shutting himself up at home. There is no doubt that diplomacy has changed since the days when ambassadors negotiated and signed treaties. However, its profile may not be quite so high now, but its horizons are much wider. I come from a family of diplomats; my

father was one. But in those days diplomacy was all politics, whereas now it is an infinite number of things: currency, finance, environment, organized crime, drugs. If you take the pillars of the European constitution, you will see that diplomats have to know about everything now. In short, a diplomat's work is just as rewarding, indeed perhaps more rewarding, and wider-ranging as well, than it once was; it has undoubtedly declined in purely political terms, but not in importance.

Italy: Tax Authorities Investigate Philip Morris

*LD2902153696 Rome RAI Radio Uno Network
in Italian 1200 GMT 29 Feb 96*

[FBIS Translated Text] The multinational Philip Morris is in conflict with the Italian tax authorities. The investigation is based in Naples, and Massimo Ravel tells us about it.

[Ravel] Five magistrates, coordinated by Agostino Cordova, head public prosecutor in Naples, are investigating Philip Morris, the multinational tobacco company which, it is alleged, has defrauded the tax authorities of hundreds of billions of lire. Officers of the tax section of the financial police have carried out a series of raids on the offices of (Interraba), a Bologna-based company controlled by Philip Morris. Many homes have also been raided, and a large number of documents seized.

According to the Naples magistrates, the American multinational — which in addition to cigarettes produces sports goods and clothing, and sponsors many artistic and cultural events — has not paid the taxes in Italy that it should have done. Lawyers for Philip Morris, on the other hand, claim that as the company does not have offices in Italy it does not have the organization to justify the taxes demanded. The prosecutors, however, say that the all royalties paid to the company should be taxed and not just 10 percent as is currently the case under an agreement between Italy and the United States. This conflict is a highly delicate one because of the enormous economic interests concerned.

Spain: Popular Party Clear Winner in Congress,
Senate

LD0403010996 Madrid RNE-1 Radio Network
in Spanish 0000 GMT 4 Mar 96

(FBIS Translated Text) [Unidentified presenter] The Popular Party won the general elections held in our country this Sunday (3 March). The latest figures give the Popular Party 157 seats, compared with 140 for the socialists. The United Left coalition won only 21 deputies. Over now to the Palace of Exhibitions and Congresses. Are those figures unchanged? Good evening, Maria Jesus Chao.

[Gabriel Sanchez] Good evening, it's Gabriel Sanchez from the Palace of Exhibitions and Congresses.

[Presenter] Good evening, Gabriel.

[Sanchez] That's right. With 98.22 per cent of the votes counted, the figures you gave are unchanged.

Popular Party: 157 seats.

Socialist Party: 140 seats

United Left: 21 seats.

Convergence and Union: 16 seats.

Basque Nationalist Party: five deputies.

Canaries Coalition: four deputies.

The Galician Nationalist Bloc enters parliament for the first time with two deputies.

People's Unity: two deputies.

Republican Left of Catalonia: one deputy.

Basque Solidarity: one deputy.

Valencian Union: one deputy.

These are figures, as we said, with 98.22 per cent of the votes counted.

We also have figures concerning the Senate. With 82 percent counted, there have been no changes. The Popular Party wins 112 seats in the upper chamber, the Senate; the Socialist Party wins 80 Senate seats; Convergence and Union eight; the Basque Nationalist Party four; and Canaries Coalition two senators. That's with 82 percent of the votes for the Senate counted.

Finland Offered as Base for Asian Trade With Russia

LD0103182396 Helsinki Suomen Yleisradio Network in Finnish 1700 GMT 1 Mar 96

[FBIS Translated Excerpt] Finnish Prime Minister Paavo Lipponen emphasized in Bangkok that Finland is prepared to act as a base area to Asian countries in trade with Russia. Lipponen is taking part in the first summit of the EU and the eastern Asian countries. The Siberian railway is an advantageous route and a cheap way of transporting goods. In trade with Russia, Finland can offer to the Asian countries a secure base area, from which the distribution can take place, Lipponen said. From a large part of Asia, the shortest aviation route to Europe goes through Helsinki, he said. [passage omitted]

Finland: Country Loses Money to EU in 1995

96EN0053C Helsinki HELSINGIN SANOMAT in Finnish 4 Jan 96 p 7

[Unattributed article: "First Year in EU on Minus Side"]

[FBIS Translated Text] Finland's first year as a member of the EU was a deficit year financially, according to projections by the Ministry of Finance, even though promises were made during the referendum that Finland would, at least at first, receive more money than it puts in. Finland received 500 million markkas less from the EU than it paid in, the MTV (Commercial Television) news reported on Wednesday. "All the good things we expected did not occur in 1995 after all," admitted senior inspector Tero Hentula of the Ministry of Finance. The final computations will not be ready until the end of 1996. Finland will pay more than it receives in 1996 also, according to the budget.

Finland: Impact of EU Membership on Agriculture Viewed

96EN0053B Helsinki HELSINGIN SANOMAT in Finnish 5 Jan 96 p B 9

[Article by Pelttervo Alelanen: "EU Membership Has Not Yet Affected Farm Field Prices"]

[FBIS Translated Text] Membership in the EU has not affected the price of Finnish farm crops. During 1995 prices remained, disregarding a very small dip, approximately at 1992-93 levels. The data for last year, collected by the Land Survey Agency, are inclusive through October only, and experts do not wish to draw conclusions on this basis. Within the Land Survey Agency the data is interpreted to mean that "land sales markets do not yet know in which direction prices may head." Farmers are uncertain about their future.

The price of farm crops was at its peak in 1990, when the median price, meaning the middle price in sales registered at the Land Survey Agency, was 30,000 markkas per hectare. Peak prices in southern Finland and Ostrobothnia approached 100,000 markkas per hectare. On the other hand, prices in Lapland and in the province of Oulu remained at just over 10,000 markkas per hectare.

Farm field prices crashed in 1992 and continued to decline in 1993. During this latter year the median price of farm crops was 16,000 markkas, or approximately half of the prices paid in 1990. The crash in prices accelerated sales in 1992, when a record number of 702 sales were made. During the next year sales dipped markedly, even though prices continued to drop.

Land survey engineer Risto Peltola of the Land Survey Agency says that the crash in prices was not caused by EU fears. The main reason for the decline in prices was high interest rates. Peltola is researching prices paid on the market and productivity values of these crops.

Number of Sales Down From Last Year

The amount of sales last year remained under the levels of the previous year. Approximately 354 sales had been made through October of last year, whereas almost 500 sales had been made during the previous year. Sales were impeded by delays in the payment of investment subsidies. Farmers were not granted any state loans that would be paid for by national funds or subsidized interest loans at all last year, for example. According to the magazine MAASEUDUN TULEVAISUUS, payments of national investment subsidies will be postponed at least until April or May.

Had farmers received investment subsidies last year, crop prices would have, according to some experts, possibly started rising. Sales of farm fields would have increased and the state's investment subsidy would have been capitalized in the price.

Median Price of Forested Hectare

The price of forest land, on the other hand, was at its highest for the decade last year, according to the Land Survey Agency sales registry. According to information from the real estate sale registry, the median price paid through the first 10 months of last year for a hectare of forest was 7,794 markkas, whereas it was 7,143 markkas in 1994. The median price of forest land in southern Finland was over 10,000 markkas per hectare. In central Finland the price was 7,000 markkas per hectare, and in northern Finland over 4,000 markkas. Forest land prices were at their lowest in 1993, when the median price was over 6,700 markkas per hectare. The volume

and quality of the wood on a forest plot is the final determining factor on its price.

The figures of the Land Survey Agency give some idea about the purchase price of additional lands especially. According to Markku Nevala, operations chief of MTK (Agricultural Producers Association), this does not give a complete picture of market conditions for land in its entirety, however, for farms are often sold to a farmer's own children at a considerably lower price.

The MTK considers the Land Survey Agency figures to be harmful because the prices they report are used to estimate prices for sales to a farmer's own child, and farmers may then have to pay a gift tax as a result of the price of sale.

Cyprus: Democratic Party on UK, U.S. "Philosophy"
 NC0303104396 Nicosia *ELEVTHEROTIPIA* in Greek
 3 Mar 96 pp 1, 2

[Text] of statement issued by the Democratic Party in Nicosia; date not given]

[FBIS Translated Text] A new U.S. intervention in the Cyprus issue is to be manifested in the next few months and, according to reports, will aim at promoting a solution to the problem in 1996. However, there is absolutely no indication whatsoever that its content might merit even reserved optimism. On the contrary, the occasional statements by both the U.S. and British sides increase the concern that pressure will be exerted again to our side for new concessions—particularly on questions pertaining to the substance of the Cyprus issue. In his reply letter to PSEKA [World Coordinating Committee of Cyprus Struggle] chairman Philip Christopher, President Clinton referred to the sovereignty and international identity of the Republic of Cyprus as questions allegedly pending for discussion. This reference constitutes another camouflaged attempt to promote and consolidate the philosophy of closing the Cyprus issue on the basis of the Turkish invasion and occupation results and not on the basis of international law and the UN resolutions. The reference alone to the sovereignty and international identity of Cyprus as questions allegedly for discussion is another proof that unfortunately the U.S. policy has not abandoned the philosophy of promoting a separatist solution in order to satisfy both Turkey and the U.S. geostrategic interests in the area, while reserving for Turkey the role of a proxy.

The recent answer to a question in the UK House of Commons by David Davis, the British minister of state for foreign affairs, was on the same wavelength. He talked about "minorities" allegedly living in the occupied areas when he spoke about the living conditions of the enslaved people. His describing the Greeks and Maronites, who are still in the occupied areas despite inhuman conditions, as minorities has no other meaning except an indirect but clear recognition of the existence of a state entity in the occupied areas. The outlining of this position by the British minister of state for foreign affairs is unacceptable and also reveals that Britain also insists on imposing a separatist solution which would consolidate and legalize the results of invasion, occupation, colonization, and the policy of ethnic cleansing which Turkey is trying to consolidate in the occupied areas.

The Democratic Party believes that both the Clinton letter and the Davis answer reveal the British-U.S. intentions, deal an a priori blow to the trustworthiness

of any initiative by them to promote an objectively just solution, and also confirm the persistence of these countries on the cold war concept of things. This concept led to the charting of their 40-year-old policy, which has not changed in the least, on the Cyprus issue. The Democratic Party believes that it is imperative for both the United States and particularly Britain, which is a guarantor for the independence and integrity of Cyprus, to ponder over the issue after all and undertake their responsibilities toward Cyprus and peace in the region by revising their stance. Otherwise, not only will they be unable to contribute to a solution and consolidation of peace in the region but, as it has been proven with the intensive increase of the Turkish provocativeness, they will be again accomplices through their actions and omissions to new adventures. The encouragement of Turkish adventurism, through efforts to satisfy Ankara's partitionist and expansionist plans against not only Cyprus but also Greece, is leading with mathematical precision to new adventures.

Cyprus: Denktas Interviewed on Missing Persons
 NC0203091296 Nicosia *SIGMA Television Network* in Greek 1900 GMT 1 Mar 96

[Interview with Turkish Cypriot leader Rauf Denktas by correspondent Stavros Sidheras; place and date not given—recorded, in English]

[FBIS Transcribed Excerpt] [Sidheras] Mr. Denktas, thank you for accepting the invitation to appear to my show. Before we start I would like to put my cards on the table and say that I am not here as a journalist, I am not a journalist as you know, I am not a historian, and I do not claim to know the Cyprus problem in depth. I am here as Stavros Sidheras, a citizen of Cyprus, and I believe like most Cypriots, both Turkish and Greek. I am anxious and concerned about the future of the country. Now, you are one of the key players in this political chess game, and as such, I know that you hold most of the answers to the questions concerning the future of Cyprus. I know that to get to these answers, to the real answers, I will have to go beyond the facade of the shrewd politician, that the people claim that you are, and find the real Rauf Denktas. So let me start by asking: Mr. Denktas, who are you? [passage omitted] Somebody told me that when you lose your composure and you get angry, you are more vulnerable. What can I say to make you angry?

[Denktas] Tell me that Cyprus is Greek. [passage omitted]

[Sidheras] Let us go back to the guarantees. You mentioned to me that the ideal would be that we would...we should continue with the guarantees of

1960. I am throwing the idea to you of enhancing these guarantees. What is wrong by including a few more powerful countries in this pact? Why not include America, or even better, why not include the NATO countries, of which pact Turkey is a member?

[Denktas] The Turkish army will leave the moment we have an agreement. And therefore the constant threat to what you called the minority—the Turkish Cypriot—the constant threat of your numerical superiority will continue to be. So we want workable effective guarantees and that is what the 1960 guarantees are all about.

[Sidheras] Do you not trust the Americans?

[Denktas] It is not a question of trust. Turkey had to consult with two guarantors before intervening and even then it took them more than a week to intervene in Cyprus. And if we have ten guarantors to consult before intervening, by that time we might be finished off. [passage omitted]

[Sidheras] Let us proceed with another issue. This has to do with people and human people. This is about the missing people, on both sides Mr. Denktas. I saw an interview where Mr. Klinidis said yes, we both—maybe I am wrong, I am not quoting—I accept that we are both to blame. Let us open the graves and find out the identities of the dead, so that if there are still people alive, we can go back to their families and tell them, that their children are dead or that their children are perhaps still alive.

[Denktas] [passage omitted] So if they are really interested in this I say first dig out the common graves done during the coup and tell the world, and tell your people these are it and these are the people and let us look at the list. It is a shame really, to play by saddening these families by pretending that there are people working in Turkey and they will not write here and they do not come here. Or they have married Turkish girls and they have forgotten Cyprus. [passage omitted]

[Sidheras] On the 8th of August I was in Larnaca when Larnaca was taken. I was with 49 boys. I came back with 7, I was there when the rest of the boys surrendered. The names exist, I saw them with my own eyes. These boys were captured. So far as I am concerned there are two ways we can go: One that the Turkish invading army massacred these boys in cold blood. The other that they were taken to prison. What happened to them?

[Denktas] What happened is this: As the Turkish army moved and captured the Greek Cypriots, unfortunately they handed them over to our fighters. Among them were people whose families, villages were lost over the years and so massacres happened. It happened like this.

Instead of taking them to the police stations or to the prison camps they were killed. As soon as the Turkish army realized what was happening, that is when the rest were transported to Turkey. And Red Cross is on record saying that everybody taken to Turkey has come back from Turkey. This is on record. Therefore all these allegations...five, ten people may be alive, I ask as a reasonable man: Is there any logical reason whatsoever to keep people in prison or even somewhere over these years? What for?

[Sidheras] I am asking you Mr. Denktas.

[Denktas] There is no reason. I made a statement years back: Let us tell the families on both sides that these people are dead and that there are no missing people and immediately the next day the headlines were: Denktas confesses that he has killed every missing person. [passage omitted]

[Sidheras] Mr. Denktas, a few days ago we had a crisis in the Aegean and it made us all realize how close we are to another war. The question I sort of want to put forward is whether unavoidably this war if it happens, a confrontation between Turkey and Greece, will involve Cyprus, from your point of view.

[Denktas] From my point of view it is this: The only thing that could bring war in Cyprus is the extension of this defense doctrine and therefore the defense line of Greece to Cyprus was the most stupid thing to do. Not realizing that Cyprus has a special position between the two motherlands and we should be kept out of their conflict even if it is every reason of the conflict between them, the way to settle is not to bring it within the war distance between the two motherlands. The clever thing to do was to keep away. Several times I asked the leadership on the other side, all of them: Let us make an agreement, that we will not find each other in Cyprus. And let us make this agreement endorsed by Greece and Turkey. That is the clever thing to do. And it was rejected. Why? Denktas seeks recognition. I said: If I seek recognition I would say so. Are we not talking as two communities? We are. Are we not sitting as two leaders of the two communities? Yes. It is in this capacity that we should make an agreement. No aggression.

[Sidheras] I do not know the protocol, but I think that what you are saying is very important. Let me just get this straight. Are you saying that the first bullet will not be fired from your side? If a confrontation happens?

[Denktas] Of course not. Of course not. That is the position of the Turkish army and that is its promise to us.

[Sidheras] But if a war starts in the Aegean and the extension of it finds itself in Cyprus. Who is to say who fired the first rifle?

[Denktas] You are absolutely right. That is why I say that this extension of this defense doctrine to Cyprus was wrong. Giving Greece air bases, sea bases in Cyprus is wrong. Because if Greece and Turkey enter war it is inevitable that Turkey will bomb these bases at least.

[Sidheras] But Mr. Denktas Greece did not enter the 1974 war and we were bombed by your Phantom airplanes. So this is not an argument I accept.

[Denktas] You are bounding the cause of the war. This is another thing.

[Sidheras] If another confrontation happens between Greece and Turkey or even worse if Turkey for any reason decides that it wants to move forward and take the rest of Cyprus..

[Denktas] You know that there is no such policy...

[Sidheras] No.

[Denktas] We know at least. There is no such policy. Turkey is not going to put us into danger. That is not why it is here. It has been begging for a solution. [passage omitted] So I say: Let us take the present position. What is the present position? In order to wait for such an eventuality as Cypriots on both sides. What is the way to it? The way to it is for the two sides to say as two leaders: We agree not to fire a shot toward each other. We agree to remove certain forces from the dangerous areas as anyone wants and we agree that in case of a Greco-Turkish war even, there shall be no fighting in Cyprus. And how will we secure this? By Greece and Turkey undersigning our agreement in Cyprus that there will be no war in Cyprus.

[Sidheras] This is so vulnerable, Mr. Denktas. How can anybody prove that if the fighting begins that either side is the one to be blame? Even if you sign this?

[Denktas] If the overall responsibility is taken by the two leaders it is up to them to say that a small figure stops as a small figure.

[Sidheras] But how can we prosper together?

[Denktas] Our priority is to settle the Cyprus problem. On the table exist sufficient elements or principles that be molded into a settlement, like I repeat: The two parties are equal, they are not minority and majority. Cyprus is their homeland, it is not a Greek homeland, it is not a Turkish homeland, it is their joint homeland. It is these two who will settle the Cyprus problem without interference from outside. The guarantees will continue and it shall be a bizonal settlement and the property

disputes shall be settled by exchange of properties and by compensations so that daily friction is avoided. And these are sufficient material on which we can built the future.

[Sidheras] Will the people have a choice, the people whose origins are from Kyrenia, Morphou or other occupied areas, will they have a choice to return to their homes?

[Denktas] Not to their homes.

[Sidheras] Why not, Mr. Denktas?

[Denktas] The first thing is to create the bizonality and make it a legal entity. Because now we have a de fact [as heard]. You cannot have a federation while people on one side claim their properties on the other side

[Sidheras] But they do not claim it. It is theirs

[Denktas] Yes, but we have agreed on a bizonal federal settlement. And you forget that Turkish Cypriots for 11 years could not go to their properties in 103 places

[Sidheras] I am not saying this is right. How can we have both? How can we have this federal state with a central government in control and find a solution that will give a choice to the people, that if they want to come and live under the policy of Mr. Denktas, fine! But give them the choice.

[Denktas] In time it will be under the legislation of both sides that it will be possible for people to come and settle under the permission of the north and vice versa. You have to start from where you are if you really want to come together again. [passage omitted]

[Sidheras] Finally, do you think that we will have a solution by 1999?

[Denktas] If Europe tells the Greek Cypriot leadership clearly that they should not expect to be a member without settling the problem, yes.

[Sidheras] This is not what I want to hear, Mr. Denktas.

[Denktas] This is the reality. I have to be very sincere with you. [passage omitted]

Cyprus: President, Foreign Minister on Denktas' Revelations

NC0303155296 Nicosia Cyprus Broadcast by Corporation Radio Network in Greek
1500 GMT 3 Mar 96

[FBIS Translated Text] President Glavkos Klimidis stressed today that the effort to find out the fate of the missing people must continue within the framework of the investigative committee and that the Greek Cypri

side must not be misguided by the statements made from time to time by Denktas. Klinidis added: If our side accepts the Denktas' statements, that means that it admits that the missing persons issue is over. He stressed: The most important things are to continue the procedure within the framework of the investigative committee and in view of the replacement of the UN representative Paul Wurth and for that committee to ask for all the information. If the Turkish side claims that the missing people are dead, our side will demand to know how they were killed and where they are buried. President Klinidis said: The Denktas' statement can be used as a means of pressuring them about the fate of the missing persons.

Foreign Minister Alekos Mikhalidis said that a document is being prepared on the missing persons issue and everything will be examined in the light of the general target, which is to find out their fate. Mikhalidis said: We neither put aside nor do we underestimate the importance of Denktas' statements, but everything must be examined within the framework of a more general approach, so that the decisions are made following an understanding with the missing people committees. He added: Denktas' role all these years is known and so is his contribution to the prolongation of the issue has for so many years. This is also known by the foreigners.

Cyprus: Spokesman Comments on Denktas' Claims
NCD103132096 Nicosia Cyprus Broadcasting
Corporation Radio Network in Greek
1130 GMT 1 Mar 96

(FBIS Translated Text) Government spokesman Ioannis Kasoulidis said this is the first time Denktas has

admitted that prisoners of war were murdered in cold blood and pointed out that the Turkish occupation army is clearly responsible under the Geneva Treaty. He added that the issue of Denktas' responsibility for the crimes committed in 1974 remains open.

Commenting on an interview with the Turkish Cypriot leader by a private television station, the spokesman said the government will accept the simultaneous opening of mass or individual graves in the free and occupied areas if areas in which Turkish Cypriots are buried—according to Denktas' claims—are pointed out to the investigative committee. The Greek Cypriot side is ready to cooperate if the other side agrees to the opening of individual or mass graves of Greek Cypriots according to existing testimonies.

Kasoulidis rejected the occupation leader's claim that no missing persons remain alive, saying that the Greek Cypriot side insists on a process of persuasion to learn the fate of the missing persons. He also rejected the Turkish Cypriot leader's claim that all the Greek Cypriot hostages taken to Turkey have returned, saying the number of hostages was not reported to the Red Cross. He added that there is testimony about hostages who were reported to the Red Cross, but who did not return.

Greece: Athens Condems Denktas on Missing Persons

NCO203/91896 Athens ET-I Television Network in Greek 1600 GMT 2 Mar 96

[Report by correspondent Elefai Apostolopoulos]

[FBIS Translated Text] The entire political world in Athens expressed its abhorrence about the terrifying confession and denounced Turkish Cypriot leader Rauf Denktas.

In a written statement, Government spokesman Dhimmitrios Reppas stressed that the unconcealed Denktas confession is another proof of the Attala's bestiality. He added: The international legal order remains invalid as long as the international institutions do not act effectively in response to the drama of Cyprus' missing persons. Today, when elsewhere the international community is looking for war criminals, in Cyprus where there is the occupation and bloodshed, Denktas appears as a negotiator for a settlement of the Cyprus issue.

A similar statement was made today by Yioryios Dhaskalakis, deputy transport and communications minister, adding that after these revelations, the Greek Cypriot side is obliged to ask for an investigation. They are also obliged to demand that the people responsible for this be taken to court for war crimes.

Yesterday in Brussels, Eurodeputy Ioannis Kranidiotis denounced the Turkish Cypriot representative to the European Parliament.

New Democracy described Denktas' revelations as indicative of the Attala's cruelty and asked that a separate investigation be made for each missing person.

Andonios Samaras, Political Spring party chairman, said the international community that supports the Turks can enjoy the culture of these people.

The Greek Communist party said it is obvious that the Turkish Cypriots' goal was to end the investigations to find the missing people.

Greece: Italians, Dutch Deny 'Spying' by Military Attachés

NCO303/202/96 Athens ATHENS NEWS in English 3 Mar 96 p 1

[FBIS Transcribed Text] Both the Italian and Dutch foreign ministries have tried to play down a diplomatic incident involving their military attachés to Greece.

On Friday (1 March), Greece asked the two countries to recall their military attachés after a Greek deputy revealed that the two had been detained on the Aegean island of Lesvos with allegedly sensitive military information on January 27, just three days before the Imia crisis in which Greece and Turkey almost went to war.

Dutch Foreign Minister Hans van Mierlo yesterday described the incident as a "small storm in a large teacup."

"There is no question...of the Netherlands spying on NATO allies," he told Dutch radio from Bangkok, where he was attending the 25-nation Asia-European Union summit. Van Mierlo added he was confident the situation could be resolved over the next few days. A spokesman for the Dutch Foreign Ministry said on Friday that the deputy military attaché to Greece, Maria Thijssen, "will soon return to The Hague on leave."

Italy said it had recalled its military attaché, Colonel Mario Volpicelli, and would not send him back until Greece ended the row.

The head of Italian Foreign Minister Susanna Agnelli's office, Giacomo Aragona, who met late on Friday with the Greek ambassador to Rome, Evangelos Prangoulis, expressed "surprise and sorrow" over the Greek request and he questioned whether the Italian official had been "involved in any activity incompatible with his duties".

The Italian Defence Ministry said: "Volpicelli's conduct has always been in line with the existing relations with a friendly and allied country like Greece," adding that it was "deeply surprised by the blown-up episode". The Defence Ministry said it had given Volpicelli "a period of leave in Italy".

Dimitris Vounatos, the ruling party PASOK (Pan-Hellenic Socialist Movement) deputy for Lesvos, took the news of the incident in a question to parliament tabled on Friday and accused the attachés of "spying for Turkey".

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Turkey: Clinton Letter to Ciller Seen as 'Support'

NCD403152796 *Istanbul MİLLİYET* in Turkish
28 Feb 96 p 14

[Report by Zulfikar Dogan: "A Letter of Support From Clinton"]

[FBIS Translated Text] Rome—President Clinton has conveyed a letter to Prime Minister Tansu Ciller informing her that he and the United States support Turkey's approach on the Aegean problems, including the Kurdish crisis, and the latest developments related to the customs union. The letter said that the United States has supported Turkey's thesis that "consultation mechanisms must be established between Greece and Turkey to resolve the Aegean problems and other issues through talks." It also said that the two countries may decide to refer their problems to the International Court of Justice, but should first hold talks to resolve them before doing so.

President Clinton said that his administration supports Turkey's initiatives on the matter and recalled that it has urged Greece to comply with Turkey's calls for talks.

President Clinton criticized Greece's decision to veto the financial aid the EU will extend to Turkey in accordance with the agreement on the customs union. Stressing that the United States has supported the realization of the customs union between Turkey and the EU and Turkey's effort to become a member of the organization, President Clinton asserted that his administration has urged the EU countries to support Turkey. Referring to the present situation, President Clinton said that the EU should fulfill its commitments towards Turkey within the framework of the customs union and noted that his administration will persistently follow developments.

President Clinton's letter to Ciller has been seen as an expression of support for Turkey's approach on Greece's initiatives. It has strengthened Ankara's stand on the Aegean problems and the EU's financial aid to Turkey. The letter was conveyed to Ciller prior to her meeting with Prime Minister Lamberto Dini, who also is the current EU chairman. It has been welcomed by the Prime Minister's Office and the Ministry of Foreign Affairs. Officials have said that it outlines President Clinton's support for Turkey.

Turkey: Deputies' Renewal of Provide Comfort in Doubt

NCD403152396 *Ankara TURKISH DAILY NEWS*
in English 1 Mar 96

[Received via Internet]

[FBIS Transcribed Text] ANKARA — Problems between Ankara and Washington over the military modalities of "Operation Provide Comfort," the Turkey-based allied force for protecting the Kurds and other minorities in northern Iraq against the wrath of Baghdad, have been ironed out, well placed sources have informed the Turkish Daily News.

The remaining problem, however, is how to convince Turkish deputies to renew the mandate of this operation when it comes up for voting in Parliament towards the end of March, these sources said.

Contacts to be held in Washington in the coming days by Gen. Cevik Bir, the deputy chief of the Turkish Armed Forces, and the undersecretary for the Turkish Foreign Ministry, Onur Oymen, with U.S. officials are expected to concentrate on this problem.

The matter was also reportedly taken up between the sides during the contacts held in Ankara earlier this week by Gweneth Todd, head of the Turkish desk at the State Department.

What is said to be worrying officials on both sides is the composition of the Turkish Parliament following the Dec. 24 general election.

The pro-Islamist Welfare Party (RP), which produced the single largest block in Parliament with 158 deputies, has been strongly opposed to this operation from the very start.

The Democratic Left Party, lead by Bülent Ecevit, which has also opposed the operation, also increased the number of its deputies in Parliament after the last election.

Both parties see Provide Comfort as being tantamount to an invading force with the secret aim of establishing an independent Kurdish State in northern Iraq.

Many deputies from the Motherland Party (ANAP), on the other hand, voted for an extension of the Provide Comfort mandate before it expired on Dec. 31, 1995, on the understanding that the government was asking Parliament for such a vote for the last time.

The fact that the National Security Council (NSC) had recommended a three-month extension as opposed to the previous six months, had also convinced these deputies to vote for the extension.

While many ANAP deputies had voted for the extension, along with deputies from the senior and junior coalitions partners the True Path Party (DYP) and the Republican People's Party (CHP), a significant number of ANAP deputies also chose to abstain.

The recommendation by the NSC for a reduction in the duration of the mandate from six to three months was interpreted as a tangible sign of dissatisfaction on the side of the Turkish military about many aspects of Provide Comfort.

The main grievance on the Turkish side concerned the fact that it did not have a sufficient share of control over the operation, especially at a time when it is combatting separatist Kurdish terrorism in Turkey.

The aim of the operation — mostly made up of fighter aircraft today — is to keep Iraqi forces loyal to Saddam Husayn outside the area in Iraq north of the 36th parallel.

The operation comprises forces from Great Britain, France, as well as Turkey, but the main driving force of the operation is the U.S. military presence.

Ankara in fact called for this operation to start off with when it was faced with hundreds of thousands of Kurdish refugees fleeing Iraqi forces at the end of the Gulf War and trying to enter Turkey.

Turkey has, however, been complaining since then that while Saddam's forces have been kept out of the region, the local Kurds have failed to fill in the authority vacuum there.

This, Turkish officials say, has been used to great advantage by the Kurdistan Workers' Party (PKK), which is outlawed in Turkey where it is waging a separatist war.

The differences between Turkish and U.S. military are now said to have been ironed out to the satisfaction of both sides with the increase in Turkey's military and political control.

Ambassador Onur Oymen is expected to argue in Washington when he visits the U.S. capital with Gen. Bir in the coming days that one way of convincing Turkish deputies to vote for an extension of the mandate of the operation beyond March 31 would be if northern Iraqi Kurdish groups cracked down on the PKK presence in the region.

He is expected to ask Washington to apply pressure on the Kurdistan Democratic Party (KDP) lead by Mas'ud Barzani, and the Patriotic Union of Kurdistan (PUK), lead by Jalal Talabani, to this end.

Ankara has not only been unhappy about the bloody internecine fighting between these two groups that has assisted the PKK, but also about the fact that Talabani has been seen to be openly lenient to the PKK in trying to use it against his rival the KDP.

The fact that Turkey does not have the capability to ward off the prospect of another exodus of refugees from northern Iraq, however, poses a serious dilemma, despite the deep historic animosity among Turks to the notion of foreign troops based on Turkish soil.

What is compounding Ankara's dilemma now is the fact that unconfirmed reports have been surfacing of late of clashes in northern Iraq between the Iraqi army and opposition forces, something which, if corroborated, could increase the overall instability in the area and deepen the already existing authority vacuum.

Turkey: Erbakan Dismisses ANAP-DYP Coalition

*TA0203194096 Ankara TRT Television Network
in Turkish 1800 GMT 2 Mar 96*

[FBIS Translated Text] Welfare Party [RP] leader Necmettin Erbakan has said that the establishment of a coalition government between the True Path Party [DYP] and the Motherland Party [ANAP] is not possible and both parties are merely struggling.

Addressing an RP provincial leaders and provincial inspectors meeting, Erbakan noted that a new era has begun with the 24 December elections and the people said stop to those who have been oppressing them for years. He explained that his party has grown even larger with those who joined it after the elections. According to democratic rules, Erbakan explained, the new government must be established within 15 days, but the efforts to form the government have been foiled for two months because of pressures applied by circles that live off interest from capital.

Erbakan remarked that after he was tasked to form the government, the RP conducted exemplary work and he refuted allegations that the RP would never give up the task once it has received it by relinquishing the assignment within 10 days. In contrast, Erbakan noted, Tansu Ciller held on to the task for 16 days and Mesut Yilmaz has been trying to form a government for a month. Erbakan charged that a DYP-ANAP government cannot be established.

[Begin Erbakan recording] Mr. Yilmaz and Mrs. Ciller meet for two or three hours, fail to agree on anything, and are aware that their joint government cannot achieve anything. When they emerge from their meeting, however, they put on their masks and their smiles and issue forced statements indicating progress and steps forward.

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This shows that things are not going well. Their faces show failure and failure can be the only outcome. [end recording]

Erbakan stated that a coalition is not division of assets, it is the joint administration of everything, and added that Yilmaz must renounce his excessive demands. Pointing out that the talks between the DYP and ANAP will not yield any results and Yilmaz will again come to the RP, Erbakan said: It will now be his turn to make sacrifices. Therefore, there will not be any question of giving the premiership to anyone other than the RP.

Criticizing the attitude of Democratic Left Party [DSP] leader Bulent Ecevit, Erbakan said that one cannot shun responsibility by abstaining in the vote of confidence. Erbakan claimed that Yilmaz should relinquish the duty of establishing the government following his meeting with Ciller tomorrow.

Declaring that his party can establish a government with ANAP and the DYP under reasonable conditions, Erbakan noted that only a government including the RP can provide service to the country.

[Begin Erbakan recording] There are four options which must be tried. One, to establish a reasonable government with ANAP and begin work. Two, to establish a reasonable government with the DYP and begin work. Three, we will also establish a government with the Republican People's Party and the DSP. We have said this from the beginning and we have established such a coalition in the past. We will also form a government with them and provide the services required by the people. The question is whether the government includes the RP or not. If the answer is yes, that government will serve the people. Otherwise, it cannot achieve anything. So, what is the fourth alternative? The fourth alternative is to establish a government with both ANAP and the DYP. These two parties have reached agreement up to a certain point. Now, they should come to the RP together. [end recording]

Turkey: Ciller, Yilmaz Sign Coalition Protocol

TASS03135296 Ankara TRT Television Network
in Turkish 1310 GMT 3 Mar 96

[Statement by Tansu Ciller, Turkey's True Path Party leader and prime minister, and Motherland Party leader Mesut Yilmaz at the Turkish Grand National Assembly after signing the coalition protocol — live]

(FBIS Translated Text) [Ciller] The work to establish a government has been going on since 24 December. As you know, elections were held on 24 December in line with all the rules of democracy, resulting in the current parliament. During initial efforts to establish a

government from within this Assembly, we pointed out that there are only two ways to attain a government. Either the Welfare Party [RP] will establish a coalition with the True Path Party [DYP] or with the Motherland Party [ANAP], or the DYP and ANAP will join forces for a coalition. Following various experiments, we are pleased to observe today that the two parties that are closest to one another have concluded work on establishing a government and have reached the stage of signing a coalition protocol.

As you know, there was a big obstacle in the establishment of this coalition. The question of who will hold the premiership was raised before the DYP and ANAP could cooperate. We consequently experienced a period of stalemate. It became necessary to solve above all the issue of who will be the first prime minister as well as the general framework of the government. The public was forced to experience this deadlock for many days.

I would like to announce that we have agreed on a rotational premiership, as we stated earlier. We decided to establish a five-year coalition. Within this framework, Mr. Mesut Yilmaz will first hold the post of prime minister until the end of this year. The leader of the DYP will occupy this post for the subsequent two years, to be followed by another year under the premiership of the ANAP leader. A person from the DYP will be prime minister in the last year. The question of who will be the first prime minister was discussed for a long time. I am the one who is making this sacrifice.

The main reason for my sacrifice is: I did not find it auspicious for the RP to come to power in terms of the future of the country. I believe that it is not right for this party, which holds very different views about the state, to come to power. In a bid to prevent such a government, therefore, I found it necessary to make this sacrifice. Another main reason for my sacrifice is that although these two parties have shared the same grassroots for many years, they have failed to unite. In other words, they competed against one another, but failed to come together. Mr. Yilmaz and I also find such an initiative auspicious for the stability of the country. Political stability is the country's most important issue and has become a precondition for solving Turkey's many problems. I hope that this coalition solidarity will contribute to the integration of the two parties and bring them closer together in the coming phases and years. I believe that such an approach is also important for political stability and for the solution of Turkey's problems.

Within this framework, we have made the necessary sacrifice to establish this coalition. In a bid to guarantee

its success, we are starting off with the determination to work together in a spirit of goodwill until the end. We prepared a protocol to this end. It covers a period of five years. We mutually pledge in front of the public to fulfill all the requirements of the protocol with goodwill. Our reciprocal guarantee will consist of this promise we are both making before the public.

In this context, both parties were able to produce another important protocol, the executive program. This executive program includes favorable forms of cooperation aimed at achieving progress and surmounting Turkey's problems. They cover aspects of modernization and change. Our people are facing problems, which must be resolved urgently following the establishment of a government. At this point in time, Turkey is among the leading countries within the OECD in terms of economic growth, but it is also facing serious problems. There are measures which must be adopted in this regard. The executive program includes these measures. Moreover, we reached an identity of views concerning all important issues, ranging from justice to education, and from environment to urbanization. We formulated an executive program on how to resolve the problems and how to achieve change and modernization. Because they actually hold similar views, both parties were able to conclude this work in a short time and present it to the public as a target.

Naturally, we encountered important problems in the establishment of ANAYOL [acronym meaning main party, based on a combination of elements in ANAP and DYP], and even now it cannot be said that we have fully established ANAYOL, because we may face certain difficulties in the Assembly. Both parties will display utmost cooperation in a spirit of goodwill in order to overcome these difficulties.

In short, we have been able to sign today a coalition protocol, which we believe is beneficial for the country. Its framework, its duration, and its goals are clear. I believe that these will contribute significantly to solving the country's problems, which are awaiting solutions, and especially to the country's bright future. I hope that this coalition will be auspicious for our country as well as for the two parties. I also believe that in the coming days we will work with all our might and with faith to achieve these goals within the framework of this goodwill we have initiated and by mutually providing all the necessary support for one another. Thank you.

[Yilmaz] Honorable Prime Minister, esteemed deputies, and members of the press. A little while ago, the protocol on setting up a joint government between ANAP and the DYP was signed with DYP leader Ciller on the condition that respective party assembly groups

endorse it during their meetings in the next two days. I believe that, in this way, the solution we have achieved is the most reasonable one that can be obtained within the political picture that emerged in the aftermath of the 24 December elections.

As you know, the president assigned me the task of forming a government on 3 February. I am very happy to have successfully fulfilled this task by concluding it with the signing of the coalition protocol today. I would first like to thank our president for the understanding he showed regarding the time he allocated for the fulfillment of the task, the DYP leader for the self-sacrifice she made, and all the esteemed colleagues of the ANAP-DYP commission who contributed in the preparation of the coalition protocol.

The government model, which we have agreed upon, is based on the principle of a rotational system, which has never been implemented in Turkey and which has very rarely been implemented in the world. As the executives of both parties, we are aware that this joint government has to serve under the most difficult conditions. We are aware of the arduous responsibility we have assumed. The rotational system may pose an additional difficulty within this already complicated theory and demanding task. I think, however, that this system will secure the tradition of conciliation, which is the main shortcoming in our democracy, and contribute significantly to strengthen the position of our supreme parliament in the running of the parliamentary system.

For enabling us to achieve this result, I consider it my duty to thank the honorable leader of the Democratic Left Party and its valuable members, who supported this coalition government from the beginning and who have announced to the public that they will make up for the lack in numbers in parliament by abstaining during the vote of confidence.

Under these difficult conditions, this coalition government can succeed on the condition that these two parties, which have waged a bitter political struggle for approximately 10 years, act as though they belong to the same party and not like two separate partners in the same government.

As ANAP, we pledge that we will abide by all the commitments in this coalition protocol. We promise that we will consider all the items in this protocol as binding both in terms of the public and our partner.

I believe that we will prove wrong all pessimistic forecasts made on the future of this coalition. Along those lines, I hope that this protocol will be auspicious for our nation, democracy, and our parties.

I thank all the press members who have worked long hours to cover the developments.

Turkey: DYP-ANAP Coalition Protocol Detailed

TAO30320/796 Ankara TRT Television Network
in Turkish 1800 GMT 3 Mar 96

[FBIS Translated Text] The joint government protocol signed between the True Path Party [DYP] and the Motherland Party [ANAP] is made up of the following eight main sections: Security and internal peace; economic policies; customs union; the restructuring of the state; social policy; foreign policy; the strengthening of democracy, raising the standards of democracy, and the principles governing its implementation; and the agenda.

According to the protocol, over the duration of the government partnership, the two parties will act in unison with regard to the election of the Turkish Grand National Assembly [TGNA] speaker and the president. The position of TGNA speaker, which will be held by ANAP during the first term, will, in principle, be held by the DYP in the second term. In the joint government, the post of prime minister will be occupied by ANAP in 1996, by the DYP in 1997 and 1998, and again by ANAP in 1999. In the year 2000, the two parties will determine the election date together and they will establish an election government under the premiership of a DYP member to be agreed upon by the two parties. The prime minister, whose term has ended, will leave his position by resigning.

During the course of the partnership, the post of deputy prime minister will be filled by the party not holding the premiership. Procedures pertaining to appointments and assignments will be subject to legal amendments that will necessitate the signature of the deputy prime minister as well. Until such time, appointments and assignments, which require the prime minister's signature, will be made with the signature of the deputy prime minister as well. Appointments that require the prime minister's approval will need two signatures. Those that currently require two decrees will need three decrees and those that now require three decrees will need four decrees. Furthermore, payments pertaining to emergency assistance, the municipalities, the municipalities' fund, and the provincial banks will require the signatures of the prime minister and the deputy prime minister.

The council of ministers will be made up of 33 members. Of the executive ministries, eight will be allocated to ANAP and nine to the DYP. The state ministries will be divided equally. If the number of ministers is increased, the added ministries will be divided equally between the two parties. After the

rotation of the premier, the DYP will continue to hold one extra ministry. The approval or signature of the deputy prime minister will also be needed for public sector appointments.

Under the protocol, the National Defense Ministry, the Interior Ministry, the Finance Ministry, the Public Works and Housing Ministry, the Labor and Social Security Ministry, the Energy and Natural Resources Ministry, the Culture Ministry, and the Environment Ministry will be held by ANAP. The DYP, on the other hand, will head the Justice Ministry, the Foreign Ministry, the National Education Ministry, the Health Ministry, the Agriculture and Village Affairs Ministry, the Transportation Ministry, the Industry and Trade Ministry, the Tourism Ministry, and the Forestry Ministry.

The Central Bank will be attached to the Prime Minister's Office. The Religious Affairs Directorate, the Directorate General of Religious Trusts, the Turkish Development Bank, the GAP [Southeast Anatolia Project] Administration Chairmanship, the Maritime Affairs Under Secretariat, TUBITAK [Turkish Scientific and Technical Research Organization], the Turkish Atomic Energy Organization, the Social Services and Child Protection Association, the Women's Status and Problems Directorate General, the Meteorology Directorate General, the Youth and Sports Directorate General, the Soccer Federation Chairmanship, and the State Monopolies and the Tea Producers Association will be affiliated with the state ministries held by ANAP.

The State Planning Organization, the Treasury Under Secretariat, the Foreign Trade Under Secretariat, Eximbank, the Customs Under Secretariat, the Village Services Directorate General, the Capital Market Council Chairmanship, the State Statistics Institute, the Collective Housing Administration Chairmanship, the Land Registry and Surveying Directorate General, the Supreme Control Council Chairmanship, the National Productivity Center, the Turkish Standards Institute, the Turkish Middle East Public Administration Institute, the Ataturk Culture, Language, and History High Council, the State Council, and Cyprus and Turkic States will be subordinated to the state ministries occupied by the DYP.

Under the protocol, Eximbank, Turkey's export and credit bank, has been transferred to the DYP; and the State Monopolies and the Tea Producers Association go to a state ministry held by ANAP. Moreover, the prime minister will be responsible for the activities of radio and television broadcasts, and chair the Social Assistance and Solidarity Encouragement Fund Administration, the Promotion Fund Administration, the High

Planning Council, as well as the Money, Credit, and Coordination Council.

The National Intelligence Organization Under Secretariat, the National Security Council Secretariat General, the Press, Publications, and Information Directorate General, the State Personnel Chairmanship, and the Privatization Administration Chairmanship will be attached to the prime minister. The Turkish Radio-Television Council Directorate General, as well as public sector banks such as the Agricultural Bank, the People's Bank, the Real Estate Bank, the Waqf Bank are also among the organizations affiliated with the Prime Minister's Office.

In line with the coalition protocol, the two parties also share TGNA committee chairmanships. Accordingly, the National Defense Committee, the Interior Affairs Committee, the Public Works and Housing Committee, the Environment Committee, the Constitutional Committee, the Planning and Budget Committee, the TGNA Accounts Examination Committee, and the Health and Social Affairs Committee will be chaired by ANAP. The DYP, in turn, will head the Justice Committee, the Foreign Affairs Committee, the National Education Committee, the Industry, Technology, and Trade Committee, the Agriculture, Forestry, and Village Affairs Committee, the KIT [State Economic Enterprises] Committee, the Human Rights Committee, and the Petitions Committee. Of these, the chairmanships of the Planning and Budget Committee and the KIT Committee will be rotated with the prime minister; the chairmanship of the National Education Ministry will be occupied by the DYP in the first term and by ANAP in the second term; and the chairmanship of the Health and Social Affairs Committee will be held by ANAP during the first term and by the DYP during the second.

The preamble of the protocol states: Every possible effort will be exerted to ensure that this government, which reflects the preference of our people, will be lasting and will solve our country's problems.

The first section of the protocol entitled security and internal peace declares: The struggle against terrorism will be conducted with determination both inside and outside the country without conceding the country's unitary state or its integrity. The GAP project will be accelerated and the state of emergency will be lifted gradually.

According to the second section on economic policies, the government will speed up measures aimed at achieving economic stability and introduce arrangements which will encompass all economic activities. The state's role in the economy will be reduced and all production policies will be realigned to meet interna-

tional competition principles. With regard to public sector investments, the number of projects will be reduced, investments will be activated rapidly, and infrastructure investments will be accorded priority. The Retirement Fund, the Social Security Organization, and Bag-Kur [Social Security Association for Tradesmen, Artisans, and Independent Workers] will be liquidated in time and the retirement funds and savings of workers will be governed by means of private insurance firms and private retirement funds. Existing retirement and premium payments and other gained rights will be protected.

The third section entitled Customs Union and the EU declares: Our next goal is full membership in the EU. Accordingly, Turkey will effectively implement its policy of competition with the Customs Union. The necessary work will be undertaken to secure financial support from the EU.

A new public personnel regime will be implemented. The total number of existing public sector workers will not be increased for five years, with the provision that the number of public employees corresponds to that necessitated by a frugal state organization. Needs will be met through the efficient utilization of discharged cadres.

The number of compulsory education years will be increased to eight. Importance will be attached to apprenticeship and vocational technical training and loans will be provided for those who wish to open businesses in these areas of training. Higher education will be reorganized. YOK [Higher Education Council] will be made responsible only for coordination in the higher education field and waqf universities will be supported.

The protocol also cites the laws which will be legislated before the budget bill and before the end of the year.

Turkey: Ciller Not To Take Part in Cabinet Under Yilmaz

TA0303165096 Ankara TRT Television Network
in Turkish 1600 GMT 3 Mar 96

[FBIS Translated Excerpt] [passage omitted] Replying to reporters' questions, True Path Party [DYP] leader Tansu Ciller announced that she will not take part in the council of ministers to be established under the premiership of Motherland Party [ANAP] leader Mesut Yilmaz.

The coalition protocol signed between the DYP and ANAP is comprised of the following eight sections: Security and internal peace; economic policies; customs union; the restructuring of the state; social policy; foreign policy; the strengthening of democracy; raising the

standards of democracy, and the principles governing its implementation; and the addenda.

Turkey: Erbakan Comments on ANAP-DYP Coalition

TA0403085696 Ankara TRT Television Network in Turkish 1800 GMT 3 Mar 96

[FBIS Translated Text] Welfare Party [RP] leader Necmettin Erbakan has said that the government to be established between the Motherland Party [ANAP] and the True Path Party [DYP] will not be at all beneficial for Turkey and will simply waste the country's time, cause damage, and make the people uneasy.

Addressing an RP central executive council meeting in Ankara, Erbakan said that on 24 December, at least one fourth of the people voted for his party demanding a new world and the RP's national view. He charged that in order to continue to make unjust profits, rentier circles who set up a few media organs through funds they acquired from the state are disturbing the country and ignoring the decision of the people. He stressed that certain party officials were influenced by that, undoing the coalition between the RP and ANAP even though agreement was reached on all points of principle.

Erbakan alleged that the government to be established does not have a support base. He pointed out that the DYP and ANAP have a total of 260 seats, and that they need another 16 votes in order to receive a vote of confidence. He also charged that a large group within ANAP is opposed to this coalition.

[Begin Erbakan recording] Consequently, it is impossible to say that ANAP supports this coalition. On the other hand, the stand of the Democratic Left Party [DSP] is worth noting: As you can see, it supports the establishment of such a government on the one hand, and refuses to assume responsibility for the damage this government will cause on the other. Why is the DSP not becoming part of the government? Because it knows that this government will not be able to do anything. Then the question to ask the DSP is: Why are you allowing the establishment of such a government? The DSP is saying: I will allow it, but I will not assume any responsibility. Such an inconsistent stand cannot be. [end recording]

Necmettin Erbakan alleged that this government will try to protect corruption and be used as a tool for renewed corruption. He stressed that the RP will not allow that.

The RP leader also charged that certain rentier circles are using the army as a tool in government issues in order to deceive the people. He said that the RP is pleased with President Demirel's remarks about the matter. He went on to say that the RP is Turkey's guarantee, will come to power in the shortest possible time, and extend the services desired by the people.

Turkey: Golhan Urges Coalition To Work as Single Party

TA0403082996 Ankara TRT Television Network in Turkish 1800 GMT 3 Mar 96

[FBIS Translated Text] Mehmet Golhan, True Path Party [DYP] deputy leader, has stated that the ANAYOL [Motherland Party-DYP] coalition that is being set up is not a simple partnership but a sharing of fate in a bid to formulate a joint future.

Explaining during a news conference in Ankara that ANAYOL has no other alternative but to succeed, Golhan added that the two parties can either achieve success by working together in harmony or dissolve together. For this reason, Golhan added, the two parties should work as though they were a single-party government in mutual trust and without doubting each other.

[Begin Golhan recording] That is why I say that we are not setting up a simple partnership. We actually seek to plan a joint future. We seek to secure a sharing of fate through the integration and unity of the two parties. For this reason, this coalition and its success are extremely important. I would like this association set up for the government coalition to continue as an election alliance. I also say that these two parties should march toward the future in unity and integration. [end recording]

Turkey: CHP Sees Lack of DSP Support 'Shortcoming'

TA0403092396 Ankara TRT Television Network in Turkish 1800 GMT 3 Mar 96

[FBIS Translated Text] Erdogan Yetenc, Republican People's Party [CHP] deputy secretary general, said that from the beginning of the government crisis his party has been in favor of an ANAYOL [Motherland Party-True Path Party] coalition supported by the Democratic Left Party [DSP] and that it welcomes the point that has been reached despite the time wasted.

In a news conference in Ankara, Yetenc said that his party considers the DSP's nonparticipation in the government as a shortcoming.

[Begin Yetenc recording] Mr. Ecevit, as usual, is trying to assist in the forming of a government by shunning responsibilities, by not putting his hand to the plow for his country, and by not assuming any responsibility. Thus, he is doing his best not to be responsible for an unfavorable situation that may arise in the future. [end recording]

Noting that despite everything, he wished the new government to be auspicious for the country, Yetenc added that the issue of supporting the ANAYOL coalition will be assessed by the CHP's authoritative bodies.

Meanwhile, Yetenc also wished a speedy recovery to Rauf Denktas, president of the Turkish Republic of Northern Cyprus, on behalf of his party.

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